

the Pacific Ocean, south of the mouth of Carmel River, State of California, for the use of the California State park system; to the Committee on the Public Lands.

By Mr. **BAKEWELL**: Resolution (H.Res. 167) expressing the belief that the delegates to the international economic conference should strive to secure an international agreement for the coinage of gold and silver at a definite fixed ratio; to the Committee on Foreign Affairs.

By Mr. **BANKHEAD**: Resolution (H.Res. 168) providing for the consideration of S. 1581, an act to amend the act approved July 3, 1930 (46 Stat. 1005), authorizing commissioners or members of international tribunals to administer oaths, etc.; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the **SPEAKER**: Memorial of the State of Illinois, memorializing Congress to include in the independent offices appropriation bill such measures and appropriations as will permit the continuation of contracts to the State of Illinois relating to facilities available to mentally disabled veterans; to the Committee on Appropriations.

Also, memorial of the State of California, memorializing Congress to enact legislation prohibiting the importation of crude petroleum and crude petroleum by-products; to the Committee on Ways and Means.

Also, memorial of the State of Illinois, memorializing the Congress of the United States to disapprove and refuse to ratify the proposed treaty relating to the St. Lawrence waterway, that a fair and just agreement may be negotiated between the United States and Canada; to the Committee on Foreign Affairs.

Also, memorial from the Governor of California, memorializing Congress to adopt as part of its emergency unemployment-relief program an adequate bond issue, the proceeds of which shall be expended in furnishing employment to the unemployed; to the Committee on Ways and Means.

Also, memorial to the Congress to construct a ship canal across the State of New Jersey from Raritan Bay to the Delaware River, at a point near the head of navigation, and providing for the appointment of a committee to further this project; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. **ENGLEBRIGHT**: A bill (H.R. 5855) for the relief of Charles G. Johnson, State treasurer of the State of California; to the Committee on Claims.

By Mr. **HOIDALE**: A bill (H.R. 5856) to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office-site litigation, and for other purposes; to the Committee on Claims.

By Mr. **McSWAIN**: A bill (H.R. 5857) for the relief of Mrs. William G. Serrine; to the Committee on Claims.

By Mr. **REECE**: A bill (H.R. 5858) for the relief of Charles C. Williams; to the Committee on Military Affairs.

By Mr. **SIMPSON**: A bill (H.R. 5859) for the relief of Matt Kerpan; to the Committee on Claims.

By Mr. **STOKES**: A bill (H.R. 5860) for the relief of Mary Ellen Tiefenthaler; to the Committee on War Claims.

By Mr. **WEST** of Ohio: A bill (H.R. 5861) for the relief of Tracey O'Brien Potter; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1239. By Mr. **BOYLAN**: Resolution adopted at the World Trade League 2-way trade dinner, May 17, 1933, New York City, N.Y., that the Congress of the United States invest the President with full authority to negotiate and

conclude reciprocal tariff arrangements, etc.; to the committee on Foreign Affairs.

1240. Also, resolution adopted by the Charles E. Wescott Post, No. 173, American Legion, Bath, N.Y., protesting against Senate bill 583; to the Committee on the Civil Service.

1241. By Mr. **COLDEN**: Resolution of the City Council of Los Angeles, Calif., with reference to welfare relief; to the Committee on Ways and Means.

1242. By Mr. **CULLEN**: Petition of the American Manufacturers Export Association, urging Congress to invest the President of the United States with full authority to negotiate and conclude such tariff arrangements, the exercise of this authority to involve such compensatory reciprocal advantages as the President may deem desirable in America's best interest to the Committee on Ways and Means.

1243. Also, petition of the World Trade League 2-way trade dinner, Hotel Roosevelt, New York, N.Y., on May 17, 1933, urging Congress to invest the President with full authority to negotiate and conclude such tariff arrangements, the exercise of this authority to involve such compensatory reciprocal advantages as the President may deem desirable in America's best interest; to the Committee on Ways and Means.

1244. By Mr. **DONDERO**: Petition of the Frank Wendtland Post, No. 253, American Legion, Department of Michigan, Royal Oak, Mich., protesting against the discontinuing of the manufacture by our Government of flour for distribution to the needs of Oakland County, Mich., through the American Red Cross Society; to the Committee on Agriculture.

1245. By Mr. **FORD**: Petition of Board of Supervisors of Los Angeles, regarding proposed Federal legislation for unemployment relief, and resolution recommending community land chest bill to Federal administration for consideration; to the Committee on Ways and Means.

1246. By Mr. **MEAD**: Petition of the Order of Railroad Telegraphers, regarding the emergency railroad bill; to the Committee on Interstate and Foreign Commerce.

1247. By Mr. **YOUNG**: Petition of the Temple on the Heights, Cleveland, Ohio, Erwin Hecht, executive secretary; to the Committee on Foreign Affairs.

1248. Also, petition of the Kneseth Israel Congregation, J. Milder, president, and M. B. Friedman, secretary; to the Committee on Foreign Affairs.

SENATE

THURSDAY, JUNE 1, 1933

(Legislative day of Monday, May 29, 1933)

The Senate met in executive session at 11 o'clock a.m., on the expiration of the recess.

Mr. **ROBINSON** of Arkansas. I suggest the absence of a quorum.

The **VICE PRESIDENT**. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Coolidge	La Follette	Robinson, Ark.
Bachman	Cutting	McAdoo	Sheppard
Barkley	Hale	McGill	Thomas, Utah
Borah	Hastings	Neely	Thompson
Bratton	Johnson	Patterson	Vandenberg
Brown	Kendrick	Pope	

The **VICE PRESIDENT**. Twenty-three Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. **DILL**, Mr. **FRAZIER**, Mr. **LOGAN**, Mr. **NORRIS**, Mr. **OVERTON**, Mr. **TRAMMELL**, and Mr. **WHEELER** answered to their names when called.

Mr. **PESS**, Mr. **CAREY**, Mr. **NYE**, Mr. **DALE**, Mr. **KING**, Mr. **COUZENS**, Mr. **COPELAND**, Mr. **ADAMS**, Mrs. **CARAWAY**, Mr. **McKELLAR**, Mr. **VAN NUYS**, Mr. **ERICKSON**, Mr. **HAYDEN**, and Mr. **WHITE** entered the Chamber and answered to their names.

The **VICE PRESIDENT**. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. ROBINSON of Arkansas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the order of the Senate.

Mr. FESS. I desire to announce that the senior Senator from Oregon [Mr. McNARY] is detained from the Chamber for the time being on official business.

I also wish to announce that the Senator from Pennsylvania [Mr. REED], the Senator from West Virginia [Mr. HATFIELD], the Senator from New Hampshire [Mr. KEYES], the Senator from Rhode Island [Mr. METCALF], and the Senator from Minnesota [Mr. SHIPSTEAD] are detained from the Senate on official business.

Mr. BARKLEY. I desire to announce that the Senator from Mississippi [Mr. HARRISON], the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Oklahoma [Mr. GORE], the Senator from North Carolina [Mr. BAILEY], the Senator from Connecticut [Mr. LONERGAN], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate in attendance upon a meeting of the Committee on Finance.

Mr. ROBINSON of Arkansas. I wish to announce that the Senator from South Carolina [Mr. SMITH] and the Senator from Illinois [Mr. DIETERICH] are necessarily detained from the Senate.

I also desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from South Dakota [Mr. BULOW], the Senator from Wisconsin [Mr. DUFFY], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. LONG], the junior Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. RUSSELL], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], the senior Senator from Nevada [Mr. PITTMAN], the Senator from Alabama [Mr. BLACK], and the Senator from Washington [Mr. BONE] are necessarily detained from the Senate on official business.

Mr. KENDRICK. I wish to announce that the Senator from Florida [Mr. FLETCHER], the Senator from Ohio [Mr. BULKLEY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Delaware [Mr. TOWNSEND], the Senator from Connecticut [Mr. WALCOTT], the Senator from Oregon [Mr. STEIWER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from New York [Mr. WAGNER], and the Senator from Alabama [Mr. BANKHEAD] are necessarily detained from the Senate in attendance upon a meeting of the Committee on Banking and Currency.

I also desire to announce that the Senator from Mississippi [Mr. STEPHENS] and the Senator from Iowa [Mr. MURPHY] are necessarily detained from the Senate in attendance upon a meeting of the Committee on Commerce.

After a little delay, Mr. CAPPER, Mr. CLARK, Mr. ROBINSON of Indiana, Mr. BYRNES, and Mr. KENDRICK entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present.

COMMISSIONER OF INTERNAL REVENUE

The Senate resumed the consideration of the nomination of Guy T. Helvering, of Kansas, to be Commissioner of Internal Revenue.

Mr. ROBINSON of Arkansas. Mr. President, yesterday an agreement was entered into to vote at 3 o'clock on the pending nomination, the time to be equally divided between those who favor and those who oppose the nomination. I ask unanimous consent, for the convenience of the Chair and the Senate, that the time of those who favor the nomination may be controlled by the Senator from Kentucky [Mr. BARKLEY] and for those who oppose the nomination by the Senator from Delaware [Mr. HASTINGS].

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. HASTINGS. Mr. President, in view of the unanimous-consent agreement, inasmuch as 15 minutes have elapsed since the Senate convened, I assume that the time will be limited to 3¼ hours.

The VICE PRESIDENT. Fifteen minutes having elapsed, each side will have 1 hour and 52½ minutes.

Mr. HASTINGS. Mr. President, I want to apologize to the Senate for taking up so much time on this nomination, but in justification I desire to say that I think I am the only member of the committee who heard all the testimony in the case and attended all the hearings.

When the recess was taken last night I had finished reading a letter, appearing on page 4764 of the RECORD, from one W. D. Vincent, and I had called the attention of the Senate to the fact that the committee declined to let this letter be put in the record. The Senator from Kentucky [Mr. BARKLEY], when I had completed reading the letter, stated as follows:

The Senator is reading now from a letter which the committee refused to allow to go into the record, because the man who is alleged to have written it has been dead for 15 years, and nobody proved that it was his letter, nobody who read it ever saw his handwriting, there is not a word of evidence in the record to show that this man wrote the letter, and the Senator himself does not know that he wrote it.

I desire to call attention to two things in the record with respect to that statement of the Senator from Kentucky. There will be found in the committee hearings at page 96 the following testimony. Mr. Lamb appeared before the committee, and, having been sworn, was asked this question by me:

Senator HASTINGS. Did you know W. D. Vincent, who was president of W. D. Vincent Hardware Co., at Clay Center, Kans., on October 27, 1919?

Mr. LAMB. Yes, sir.

Senator HASTINGS. Do you remember writing him asking for his help in this matter?

Mr. LAMB. Yes, sir.

Senator HASTINGS. And did you receive in reply this letter?

Mr. LAMB. Yes, sir.

Senator HASTINGS. Do you know where Mr. Vincent is?

Mr. LAMB. I think he is dead.

Senator HASTINGS. Later, Mr. Chairman, I was going to ask that this letter be admitted in evidence.

He says in this letter—

(The portion of the letter read by Senator HASTINGS was later stricken out upon vote of the committee, sustaining objection by Senator CLARK.)

Do you know anything about the experience that he had?

Mr. LAMB. No, sir.

Senator HASTINGS. The letter goes on—

(The portion read by Senator HASTINGS was excluded from the record, in accordance with the previous notation.)

What kind of a man was Vincent?

Mr. LAMB. He was a man with a good reputation.

Senator HASTINGS. Was he likely to write that kind of a letter unless he believed it to be true?

Mr. LAMB. No, sir; he would not.

The CHAIRMAN. When was that letter written, Senator?

Senator HASTINGS. October 27, 1919.

The CHAIRMAN. This letter was received by you?

Mr. LAMB. Yes, sir.

The CHAIRMAN. And Mr. Vincent is dead?

Mr. LAMB. I understand so.

I desire also to call attention to the fact that at the time Lamb was making his report to the post-office inspector who investigated the matter, as appears on page 88 of the record, he made this statement:

After I had returned from Washington, in October 1919 I met Dr. G. A. Crise in front of the Gillett Hotel. While we were talking Senator H. W. Avery, of Wakefield, Kans., came out of the hotel. I was introduced to Mr. Avery as the postmaster of Manhattan. After discussing matters Dr. Crise stated to Avery that "Lamb is having some trouble, however, in retaining the office."

"Why is it?" asked Mr. Avery.

"I understand", replied Dr. Crise, "that Lamb will not come through with \$1,000."

"Well", returned the Senator, "that has always been Helvering's post-office price. I supposed he would raise the price since the cost of living has gone up."

After I returned from Washington I received a letter from a prominent citizen of Clay County. He wrote that he would like to see me win out as postmaster here and offered his assistance. Quoting a part of his letter, he stated:

"I know the man you have to deal with. If he aspires to political honors you may bring such pressure to bear that he will hardly dare to go back on you. Otherwise, there is only one thing that will count—money. I have not the slightest doubt that if you should promise to divide the salary the matter would be favorably settled immediately. I know by actual experience that he is that kind of a man * * *."

It will be observed by anyone reading the letter and reading that quotation from it that it is the same letter. I hold in my hand now the letter, written in pen and ink, indicating clearly that it is an old letter and was in Mr. Lamb's file and stated by him to have been received by him from Mr. Vincent.

Mr. President, it will be observed that in this letter Vincent stated that he "knew by personal experience." When Mr. Helvering came to the stand later I asked him with respect to this letter. I asked him what kind of a man Vincent was. I asked what he knew about him. He said he was a reputable business man at that place. It later was developed, by cross-examination by other Senators on the committee, that Mr. Vincent had been an applicant, while Mr. Helvering was in the Congress, for the position of postmaster at Clay Center—I believe it was at Clay Center. Mr. Helvering said the only trouble that he ever had with Vincent was the fact that he did not appoint him postmaster. I think I asked whether he could explain this letter written by Mr. Vincent and whether he could explain what Mr. Vincent meant when he said he "knew by personal experience."

It will be remembered that at this time Lamb was being approached, according to his testimony, by friends of Mr. Helvering suggesting on several occasions that he pay \$1,000, and that the president of the bank later came to him and said Mr. Helvering was willing to accept a monthly amount on account of this money that he wanted paid to him.

Lamb wrote Vincent and asked Vincent with respect to it. Vincent came back and said, "I know by personal experience." It did not appear in the record what that personal experience was, but Mr. Helvering said that he fell out with Mr. Vincent, and the only reason he fell out with him was that Mr. Vincent did not get the post office. I think we might very well ask the question whether or not the personal experience that he had with him was comparable to that which Mr. Lamb was having with him, and which Mr. Lamb undertakes to specify particularly in these letters that he wrote to the Department and in the statement that he made to the post-office inspector.

Mr. President, I desire to read further from this statement. Of course I appreciate that many of these things were rumors, but I appreciate also that when this important office is under consideration and Senators are passing upon the question of whether or not this is a fit man for the office, it becomes the duty of the Senate to make a thorough investigation and find out whether there is anything in the rumors. The statement of Mr. Lamb to the post-office inspector was dated Manhattan, Kans., November 18, 1919. I desire to read just a portion of it, appearing at page 87 of the committee hearings, as follows:

After I had taken charge of the post office on April 1, 1919, ex-Congressman Guy T. Helvering called on me in my office. I asked him if Mr. Cassell had conveyed to him the word sent him. He informed me that he had not, whereupon I repeated to Helvering the message I had intended for him.

It appears in the testimony that he told Helvering the message he sent to him, saying, "If you come from Mr. Helvering you tell Mr. Helvering that I say I shall not do it and he may go to hell", or words to that effect.

He informed me that he had not, whereupon I repeated to Helvering the message I had intended for him. Shortly after this visit, Mr. Helvering was entertained at dinner at my house, 528 Houston Street, Manhattan, Kans. While there, he stated, in the presence of my wife, that he was instrumental in having my name placed at the top of the list, this being accomplished with the assistance of members of the Civil Service Board, that I was not originally at the top of the list, but was placed there through his influence. After making this statement he continued with the statement that "I always take care of my friends when they take care of me." Shortly after this, Mr. S. J. Pratt, president of the Citizens State Bank, of Manhattan, informed me that Mr. Helvering wanted a certain amount of money. My recollection is that

the amount named was \$1,000, although I am not absolutely sure. According to statements made to me, it was intimated that the money was to be used to pay a member of the Commission for placing me at the top of the list. I refused to pay a cent, and Mr. Helvering, according to the statement of Mr. Pratt, was told that I had no money. Mr. Pratt further reported to me that Mr. Helvering then asked that I make monthly payments. I refused to do this, but did offer to release Mr. Helvering from payment of a bill for advertising, incurred during Mr. Helvering's previous campaign. Mr. Pratt reported back that Mr. Helvering stated that he would not accept this, and added that "I am not through with him."

I want to repeat what I said yesterday, that at the time Mr. Pratt made these statements he was acting postmaster. Just previous to that time, if not at that time, he had been president of the chamber of commerce of that town of some 10,000 people. He was a director of the Rotary Club. He owned and operated a newspaper which was published semi-weekly in that town, a Democratic newspaper. At the present time he is superintendent of agents of a large insurance company with offices at Manhattan, Kans. In this same statement to the post-office inspector he said:

On Sunday night, November 16, 1919, my wife and I entertained a professor of the Kansas State Agricultural College. While there he questioned me as to the probable outcome of my permanent appointment as postmaster. He stated to me that he had heard from reliable sources that J. M. Winter, ex-postmaster of Manhattan, had been paid back all money that he had paid Guy Helvering, said money being paid by Winter at various times in order that he might retain his position. The professor stated that he had heard this statement several times, and he was convinced that Winter was the victim of Helvering in securing money in this way.

On Monday, November 17, 1919, a well-known and reliable citizen stated to me that he was reliably informed that John Winter, ex-postmaster, had stated he had been repaid in money the amount received by Helvering; that this was done just before he resigned as postmaster, that Winter had stated to Helvering he would not resign until said money was returned, whereupon Helvering relinquished a certain amount previously given Helvering by Winter.

On Monday, November 17, 1919, Prof. Fred D. Merritt, of the college, met me in the Palace drug store and asked me if I knew anything new concerning my appointment. I evaded the question. He stated he was interested to the extent that he mailed "last night" a letter to the Secretary to the President of the United States, in which, among other matters, he informed the Secretary that Manhattan had had enough of inefficiency in years gone by and that he thought that the ex-postmaster (according to the rumor) had paid money to hold his position, and that it looked as if something of the sort was attempted here now, and he advised that the Department commence at Manhattan to clean out the politicians who attempted to receive money for appointments to postmasterships throughout the State.

There is in the record, and was placed there without objection, a letter from Mrs. Lena W. Brown, found at page 64 of the record of the hearings. I do not know who Mrs. Brown is. The letter is signed "Mrs. Lena W. Brown" and is dated Lawrence, Kans., March 12, 1933, and addressed to me. A part of the letter reads as follows:

The appointment of such a man as Helvering to this post is a slap at the decent citizens of this State. I voted for Mr. Woodring the first time he ran for governor, but became so disgusted with his administration that I would vote for him again for no office whatever. He was simply the tool of Mr. Helvering and his puppet, Mr. Woodring, were defeated in spite of their desperate attempts to buy the office of governor with patronage.

This appointment of Mr. Helvering would be no credit to Mr. Roosevelt in this State. It would do him a great deal of harm. I hope your committee will uncover enough of Mr. Helvering's crooked work to prevent him from taking this important office. We should have honest men in office, if such are to be found, especially at this critical time.

While you are investigating, I hope you will look up Mr. Helvering's record when he was serving as Representative in Congress from the fifth district of this State. I have been told on good authority that he sold post offices at that time—third-class post offices for \$350 each, and others all the way up to \$2,500, which was paid for the post office at Concordia, Kans.

I hope your committee will find out the truth about this man, and will not allow him to be whitewashed and permit him to receive this important post. We have good Democrats in this State, but this man will surely bring disgrace on the administration. His highway department, while he served under Woodring, smells to heaven and is to be investigated. If not whitewashed, and it will not be, although every effort will be made to hinder the investigation, it alone will be sufficient to cause embarrassment to Mr. Roosevelt.

I have written this especially to call your attention to the post-office deals reported to me, which I have every reason to believe are true.

Mr. President, on yesterday the Senator from Kentucky [Mr. BARKLEY], inquiring about the time for which it would be necessary for him to address the Senate upon this subject, made this remark:

I want at least time enough to reply to this stuff being dumped into the RECORD.

I desire to call attention to some of the "stuff" that the Senator from Kentucky himself "dumped into the record", as he puts it.

On page 71 of the record before the committee, placed there by the Senator from Kentucky, will be found several letters commending Mr. Helvering. Along with them is a letter directed to "Senator BARKLEY, Chairman of the Investigating Committee on Income Tax," dated Wichita, Kans., May 11, 1933, placed there by the Senator from Kentucky. I will read the letter. I never saw it and, as a matter of fact, never read it, until this morning.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. I received a number of letters from people in Kansas in favor of Mr. Helvering's confirmation. I received the letter to which the Senator refers opposing his confirmation. Contrary to the policy adopted by the Senator from Delaware himself, I put in the record what I received both for and against Mr. Helvering, whereas the Senator himself put in the record only what he heard and received against him.

Mr. HASTINGS. Does the Senator from Kentucky know that I received anything in Mr. Helvering's favor?

Mr. BARKLEY. I do not; but I assume that it would be impossible for the Senator to receive as many letters from Kansas as he seems to have received without getting at least a commendation now and then. Will the Senator say that he did not receive any?

Mr. HASTINGS. I say to the Senate that so far as my recollection goes, and I am quite certain I am correct, I did not receive a single letter from anybody commending Mr. Helvering for this position; and when I first took up this matter with the committee I distinctly stated to the committee that before I began the investigation I inquired of the senior Senator from Kansas [Mr. CAPPER] about this man, and he gave him a splendid reputation. I also told the committee that former Vice President Curtis had been to see me with respect to him, and had done the same thing. So far as I know, I was absolutely fair with the committee with every communication that was sent to me.

Mr. BARKLEY. Does the Senator think I acted fairly or unfairly in putting into the RECORD an unfavorable letter that I had received? And is he criticizing me for having done that?

Mr. HASTINGS. No; but this is what I am doing: I am contending that the letter written by Vincent back in 1919 is of a great deal more force, and ought to be of a great deal more weight with the Senate, than a letter written on May 11, 1933, after this particular appointment had been made. At the time the Vincent letter of 1919 was written there was no such question involved anywhere. It was a personal letter, written to a personal friend, stating what I assume and what I believe to be the facts at that time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HASTINGS. I am going to yield this time; but in view of the fact that our time is limited, I am not going to yield further than this one time.

Mr. CLARK. Of course, the Senator will have had three times as much time as anybody else by the time he finishes, counting the 2 hours he has already taken. If the Senator does not want to yield, I will answer him in my own time. I simply want to correct a mistake in the record; that is all.

Mr. HASTINGS. All right. Does the Senator want to correct it?

Mr. CLARK. If the Senator is willing to yield, I will.

Mr. HASTINGS. I stated that I was perfectly willing to yield this one time; but I called attention to the fact that my time was limited, and that I did not want to yield further.

Mr. CLARK. The Senator said a moment ago that the letter from Vincent to Lamb was a letter from one personal

friend to another. As a matter of fact, Mr. Lamb testified on the witness stand on cross-examination that he had a very slight acquaintance with Mr. Vincent, and admitted that after he discovered that Mr. Helvering was not to recommend his reappointment he entered into correspondence with all the soreheads he could hear of all over Kansas who were mad at Mr. Helvering for not giving him the appointment. So it was not a question of correspondence between two personal friends; but Mr. Lamb's testimony shows that it was a correspondence between a couple of soreheads, trying to build up a case.

Mr. HASTINGS. This letter is as follows:

WICHITA, KANS., May 11, 1933.

Senator BARKLEY,

Chairman of Investigating Committee on Income Tax.

Reference: To Guy Helvering, that was nominated by the President as income-tax collector and his nomination was held up by the investigating committee of the Senate.

Now, Mr. BARKLEY, this letter is being written by C. B. McVicker, of Wichita, Sedgwick County, Kans. First, I have five reasons why I am writing this letter to you. If you care to, you can show this letter to Congressman AYRES or Senator GEORGE MCGILL. I am personally acquainted with both of them. Reasons are as follows:

First, I can furnish you three or four hundred employees that were under Guy Helvering here in Kansas, from the Hutchinson Reformatory down to the man that shovels gravel and the sand haulers that hauled the sand and the stenographers that made out their time, were all forced to pay to Guy Helvering from 5 to 12½ percent of their weekly and monthly salaries. This I can prove by men that were working on this work.

Second. He put the State of Kansas in the hole \$3,000,000. Where did the money go to? Who can answer that question? Nobody but Guy Helvering. If he was running for an office like Governor Woodring for reelection, he would not get away from the quarter pole. It was Guy Helvering that defeated Woodring for governor the second time. Now, Mr. BARKLEY, if you can show me where we have not got the best man in the Presidential chair that has ever been put in office, then I will say put one of the biggest robbers and crooks, put him in the chair, Guy T. Helvering.

Third. It was very unfortunate that Helvering was Woodring's manager. The people of Sedgwick County and 103 other counties in the State of Kansas would have supported Woodring, but they claim to vote for Woodring would be to maintain Helvering in the office. Therefore he was defeated by a Republican candidate, Alf. L. Landon, who is Governor of the State of Kansas. A thing that is very unusual, to have a Republican governor in a Democratic State.

Fourth. I want you to take time and read this through and you can show this to GEORGE MCGILL or W. A. AYRES, whom I have known for years. I am an old painter and decorator; was here in Wichita for years and years. I am 74 years of age and past, and I am not asking any alms and I have no income tax to pay, but I have friends that do have, and to h—I with Helvering. We do not want him in the office. What did he do at El Dorado in the oil business? What did he do here in Wichita in the oil game? What would he do if he ever got in again? I say, keep him out.

Fifth. I, C. B. McVicker, of Wichita, Sedgwick County, State of Kansas, can furnish you with several hundred of affidavits to truth and veracity in regard to the assertions of the foregoing letter that is enclosed. There is no reason, in my mind, why he should ever be appointed to any office by the President of the United States or anyone else, as far as that goes. I don't think he is eligible for a dog catcher, for he would catch your dog, then come around, turn him loose to you for a dollar and go away, then come back and catch him the second time, and charge another dollar or two to get your dog back.

I sincerely believe that his past history and crookedness in the office that he held here in Kansas, of which he put the State of Kansas over \$3,000,000 in the red, ought to be sufficient evidence to keep the President or the Senate from OK'ing this nomination. We have plenty of good, honest men in Sedgwick County, and plenty of them in the State of Kansas, who are fully qualified to handle the income-tax problems far better than this man Helvering, and it is a cinch that they are honest in their dealings. I am not in any way alarmed if you would want to publish this foregoing letter. Shoot. For I, C. B. McVicker, am a Scotch-Irishman and thoroughbred Democrat and a square shooter.

Thanking you for taking up so much of your valuable time in reading this letter, I am satisfied at these few lines; they might be more, but if I had the money to pay expenses with, I would get you three or four hundred names of former employees under Guy Helvering, that they had to come across with their cuts or donations to what he called a campaign fund or lose the job. Lots of them quit.

Would like to hear from you and see what you think of this letter. You can ask my two friends what they think of me—Congressman AYRES and Senator MCGILL; you know them both. I will now close by thanking you for your patience in reading this letter—if you are lucky enough to get it, which I see no reason why you shouldn't. Address all communications to 350 Riverview.

C. B. McVICKER.

I call attention to the fact that that letter was placed in the RECORD by the Senator from Kentucky.

Mr. President, it appears from the testimony, upon cross-examination, that Mr. Helvering was the chairman of the Democratic State committee of the State of Kansas, and that as chairman of the Democratic State committee he undertook to collect funds for the Democratic Party from the employees of the State. His attention was called to some charge that he collected and assessed as much as 5 percent. He positively denied that the amount assessed was 5 percent, and said there was no assessment at all; that it was a contribution that was requested, and he said it was 2½ percent. It turned out, however, upon cross-examination, that the 5 percent did apply to each particular year in which there was a campaign, which made 2½ percent for each year, they paying every 2 years.

There is in the record the fact that these statements were sent, as I recollect, to the School for the Blind, and that partially blind persons employed in the blind shop received such letters. Mr. Helvering excused himself in that matter by saying that that was done by the persons who had charge of that particular employment; but a very significant fact in this record is that Mr. Helvering himself was the head of the commission of the highway department, which employed as many as 1,500 persons. The point was made that they were not all Democrats. Mr. Helvering stated that 35 percent of them were Republicans, and he stated in his testimony that a request for funds went to all persons in his department, regardless of whether they were Democrats or whether they were Republicans; and we get the distinct impression that the Republicans responded quite as promptly as did the Democrats.

Mr. President, there may be different views upon this question of collecting money from employees of the State or of the Nation. People have different ideas with respect to it. It is contended by many that it is no harm for a person enjoying the position that Mr. Helvering did—namely, chairman of the State committee—to request of his own party employees holding political office that they contribute to a fund to take care of the campaign of that particular party. There is no particular complaint of that procedure from my point of view; but I say that this situation is quite different from that, in that this particular chairman of the Democratic State Committee of the State of Kansas was also the head of the road commission, employing 1,500 and more persons, 35 percent of whom were Republicans. What is a Republican going to do under circumstances like that, when he is requested by the head of the commission to contribute to the Democratic fund?

The sole claim that is made against this practice is that when it is done, it results in putting fear into the mind of the employee, and therefore that his contribution is not a voluntary contribution. If it can be shown that it is a voluntary contribution, there is no particular harm in it from my point of view; but when that cannot be shown, and when a man knows that the request he makes is bound to have an influence upon the employee that will compel him to contribute in a way that is not voluntary, then I say that the man who does that is quite too practical a politician to warrant his being placed in a position like this.

He was asked the question, "What effect did this have upon the employee?" and his reply was that he did not know what his mental reaction was to that request.

Mr. President, in addition to that, the charge is made here that he collected these funds and accounted to nobody, notwithstanding the law of the State of Kansas says that he must. True, he denied that; he said that he did account, that the account was audited, and that the whole thing was straightened out in a perfectly satisfactory way. We have no evidence of that except his own statement with respect to it.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Delaware yield to the Senator from Kentucky?

Mr. HASTINGS. I yield.

Mr. BARKLEY. Either the Senator's recollection is faulty or he did not pay any attention to the matter. The chairman of the State Democratic committee and members of the State Democratic committee sent communications here, which were put into the record, showing that this whole matter was thrashed out before the committee, that Mr. Helvering was sustained unanimously, that an audit was made by the auditor of the State, or the State accountant, whichever it is, and that was put into the record, showing exactly how much money was collected and how much was expended; and there is no dispute about that fact.

Mr. HASTINGS. Mr. President, will not the Senator give me the page of the record? I apologize to the Senate with respect to what I have said. I have not seen that in the record and I do not remember that it was put into the record. It may have been put in, but I certainly did not see it; and if it is in the record, I think it would be well for the Senator to point it out in his own time.

Mr. President, there were two or three things I overlooked yesterday in discussing other phases of this question. In the first place, I want to call attention to the fact that the revenue agent in charge in Kansas at this very time, at the time Washington, Henry & Co. were performing there and at the time these cases were being sent to Mr. Helvering, was Mr. Helvering's cousin. That is admitted by Mr. Helvering himself.

In the report is a statement by the agents making the examination showing that a former partner of Washington, Henry & Co., stated that he left the company and went into business for himself, and he approached this revenue agent in charge in Kansas, the cousin of Mr. Helvering, and that agent advised him to get in touch with Mr. Helvering with respect to this matter. That will be found on page 9 of the record.

Mr. Gus V. Winston made this statement:

On or about August 29, 1918, I entered into a partnership agreement with Harry M. Washington to engage in business as auditors and income-tax specialists, and I financed the establishment of our Wichita (Kans.) office, which was conducted under the name of H. M. Washington & Co. I severed my connection as a member of the firm in June 1919. From the beginning of my association with Harry Washington he told me that he had a friend in Congress who understood the tax business and who could get information before anyone else could. He did not mention the name of the Congressman at that time, but from subsequent developments, particularly the retention of the services in Washington, D.C., of Guy Helvering, whose term in Congress expired March 4, 1919, I reached the conclusion that Helvering was the man to whom he referred. I do not know the financial arrangement which existed between Harry Washington and Guy Helvering.

Further along in his statement to the inspector he said:

Following an examination of the Oil & Gas Co. of Eldorado, Kans., made by Revenue Agent W. A. Seigal, in November 1920, as the result of which additional tax of \$211,000 was set up, the company gave me the case to try to effect an adjustment. I went to see Bert Halvern, the revenue agent in charge at Wichita—

That was the Representative's cousin—

who, after I had shown him the records, admitted that the report was wrong, but stated that it was too late for him to do anything as all the papers had been sent to Washington, D.C. He said when I got to Washington, D.C., I should see Guy Helvering, who he said would be glad to take the case, and he even wrote to Helvering, without any suggestion on my part, and told him about the case, and that I would probably be in Washington to see him. Bert Halvern told me later that he had received a reply from Guy Helvering to the effect that he would be glad to help me out. When I went to Washington, D.C., I took the case up with the department myself and did not go to Helvering because I knew he would want a percentage for securing abatement of the \$211,000 additional tax, whereas the Oil & Gas Co. is not only unable to pay anything additional but feels that it is entitled to a refund of part of the tax already paid for 1917.

In that same connection the records show that this revenue agent in charge when this investigation was complete was demoted to a field position.

I desire also to call attention to a statement made by Edgecomb in his statement to the inspectors, which appears on page 8. It is true that when he was on the stand, and I read him this, he could not recall having made it, but the statement was made shortly after the event, and, as Edgecomb states, his recollection would have been very much

better than than it is at the present time. He made this statement, talking about the Trapsshooters Oil Co. case:

Immediately following the hearing held before Mr. Powell in the Commissioner's office in Washington, D.C., some time in April 1920, and while I was walking along the streets of Washington, D.C., in company with Harry Washington, I stated to him that he shouldn't take me for a fool; that I realized there was something crooked about the demands made on me for \$10,000 and other amounts by him and Mr. Guy Helvering, and that he might as well tell me the whole truth about their scheme instead of trying to hoodwink me. To this Mr. Washington only answered, "Forget it; I don't care what you think of me personally, the matter is all settled now", or words to that effect.

I desire also to call attention to the fact that nowhere in the records in these cases will one be able to find the name of Mr. Helvering mentioned as counsel. No power of attorney has been filed; and his name is not mentioned, so far as I have been able to find, in any of these records.

One matter which I intended to call to the attention of the Senate appears in the report of the inspector on page 183, in which he makes this statement:

5. Deputy Collector H. W. Washington, in his report, July 21, 1917, attached, states as follows:

Now, be it remembered that Washington was the same man who appeared later with Helvering in the *Slim Jim Oil Co. case*, and succeeded in having the tax reduced to \$459,000; but when Washington was deputy collector, on July 21, 1917, with respect to the *Slim Jim Oil Co. case* he had this to say:

On March 21, 1917, the company (Slim Jim) sold its undivided one half interest for \$1,750,000. After reviewing all these transactions and book entries with the officers of the Slim Jim Oil & Gas Co. it is quite evident to us that this company now proposes to include these amounts as income for the year 1916, in an effort to evade the increase in the rate of income tax, as well as the excess-profits tax, which it will quite likely have to pay if the profit is properly returned in the year 1917.

In connection with the collection of campaign funds, I intended to quote from a statement made by Representative McGugin, who appeared before the committee and left with the committee a letter signed by the four Republican Members of Congress from Kansas, recommending the confirmation of Mr. Helvering. He was asked this question by Senator BARKLEY:

Senator BARKLEY. With reference to these campaign collections from employees, what has been the custom in Kansas with reference to that?

Mr. McGugin. I would say it has been more or less the custom of both parties to collect these funds. I rather think, under the leadership of Mr. Helvering, it was handled more efficiently and more effectively and more practically than probably it had ever been done before. It is a policy that should be stopped by both parties, no doubt, and probably will.

I think, Mr. President, I have pretty thoroughly covered this record, and I have no more to say upon the subject for the moment.

Mr. BARKLEY. Mr. President, I yield 10 minutes to the senior Senator from Kansas [Mr. CAPPER].

Mr. CAPPER. Mr. President, I rise to speak briefly in support of the confirmation of Mr. Helvering for this important appointment. Personally and politically I would prefer to have a Republican for Commissioner of Internal Revenue. Mr. Helvering is a Democrat, from my home State of Kansas. I have known him and known of him for 25 or 30 years. We have been always of opposite political faiths. Mr. Helvering has always supported my opponent in every campaign in which I have been before the voters as a candidate. He has not solicited my support in this case. I have no interest in the matter other than to see a citizen of my State receive fair treatment. I have examined carefully all the testimony taken by the Finance Committee, and find nothing to justify me in voting against Mr. Helvering's confirmation.

Mr. President, since we cannot have a Republican nominated for this office—and I believe it is quite evident that we cannot—I am glad to say to my colleagues in the Senate that the nominee is a high-class citizen, well known and respected in Kansas, and worthy of support. He is a high-class business man, whose business and personal integrity is

not questioned in his home State. I believe him to be honest and well qualified to fill the position to which he has been appointed. He has been the center of several vigorously contested political campaigns, but that does not, in my judgment, disqualify him from holding office under a Democratic administration. If I opposed his confirmation, it would be for political reasons, and I will not permit purely partisan considerations to determine my decision in such a matter as this. Let me say also that my position is no reflection on any Senator who considers it his duty to oppose confirmation of Mr. Helvering.

I do not intend to make any extended speech; I just want to assure the Senate that, as a fellow Kansan, I intend to vote for Mr. Helvering's confirmation, and know of no reason other than partisan reasons why any Senator should not do likewise.

The Senator from Delaware made reference to a statement filed with the Committee on Finance by the four Republican Representatives from the State of Kansas, which was made voluntarily, and I am glad to join with them in the statement made as to Mr. Helvering. The statement was dated May 15, 1933; was addressed to Hon. ALBEN W. BARKLEY, chairman of the subcommittee of the Committee on Finance, and is as follows:

MAY 15, 1933.

RE: CONFIRMATION OF GUY T. HELVERING, AS COMMISSIONER OF INTERNAL REVENUE

HON. ALBEN W. BARKLEY,

Chairman Subcommittee, Committee on Finance,
United States Senate, Washington, D.C.

DEAR SENATOR BARKLEY: We, the undersigned four Republican Members of Congress from Kansas, have no interest in Democratic appointees to office. As Members of the House of Representatives, we have no desire in any way to intrude upon the prerogatives of the Senate in the matter of confirmations.

As Representatives of the State of Kansas, we are interested in doing what we can to see to it that no citizen of Kansas, irrespective of politics, is unfairly and unjustifiably assailed as to character and ability.

We regard Hon. Guy T. Helvering as a man of high character and exceptional ability. He has been our political foe, but where personal character is concerned, we feel that party consideration should be cast aside.

Very truly yours,

U. S. GUYER,
CLIFFORD R. HOPE,
W. P. LAMBERTSON,
HAROLD MCGUGIN.

Mr. BARKLEY. Mr. President, I yield 15 minutes to the junior Senator from Kansas [Mr. MCGILL].

Mr. MCGILL. Mr. President, I desire to thank my friend, the Senator from Kentucky, for yielding to me a few moments of the time. I have not been able during the period since the hearings were held before the Finance Committee to go over those hearings carefully or to study the testimony in detail, but, insofar as I have been able to ascertain from those hearings, anything detrimental to the confirmation of Mr. Helvering is based wholly and solely upon the purest kind of hearsay testimony—testimony that would not be received or accepted for any purpose in any court in this country.

Mr. President, I only desire to say a few words in behalf of the nominee. Mr. Helvering is a graduate in law from the law school of Ann Arbor. From reading the views of the minority, filed by the Senator from Delaware [Mr. HASTINGS], it would appear that the question of Mr. Helvering's competency to fill the position to which the President has nominated him is the chief one in issue. Therefore, I direct the attention of the Senate to the educational qualifications of this man. At the time he was a young man, after graduation from the law school he went to the city of Marysville, in the State of Kansas, and was soon thereafter elected to the position of county attorney of his county. My recollection is—and I think the record discloses—that he was elected twice by the people of that county to serve as their prosecuting attorney.

In 1912 the Fifth Congressional District of Kansas first honored him by electing him as their Representative in the Congress of the United States. He was reelected in 1914 and again reelected in 1916. It is a rather unusual thing,

notwithstanding the statement of my good friend from Wichita, Mr. McVicker, for a man to be elected as a Democrat three times from a congressional district in Kansas.

Mr. CLARK. Mr. President, will the Senator from Kansas yield to me?

Mr. MCGILL. I yield.

Mr. CLARK. I should like to ask the Senator from Kansas if he heard the statement of one of the star witnesses, relied on by the Senator from Delaware, to the effect that one of the phenomena in the recent election was the election of a Republican governor of Kansas. I should like to ask the Senator from Kansas if, in his experience, it has been any unusual thing to have a Republican governor elected in the State of Kansas, as indicated by the Senator from Delaware?

Mr. MCGILL. Mr. President, in response to the question of the Senator from Missouri, I will state that the history of Kansas discloses no man elected on the Democratic ticket as Governor of Kansas has ever been reelected. So I think Kansas can hardly be designated as having been a Democratic State. However, I feel that it is now, and I hope it will continue to be.

Mr. Helvering, after having served 6 years in the House of Representatives of the National Congress, established a bank, or became the president of a bank, in the city of Salina, Kans. Salina is about the fourth or fifth city in population in the State. After living in Salina for a period of only a few years, Mr. Helvering was elected mayor of that city, and served either 1 or 2 terms as the mayor of the city of Salina. I feel that the commendation of the people of the county in which he first resided, the commendation of the people of the congressional district in which he resided, and the commendation of the people of the city in which he now makes his home is one of the best of recommendations and overthrows the weight of any testimony coming here in the form of communications from those who have seen fit to write to the members of the Committee on Finance of this body.

Mr. President, something has been said with reference to the collection of campaign funds by Mr. Helvering as chairman of the Democratic State central committee during the last two campaigns in that State. I do not personally know anything with reference to that matter. The committee handling my campaign was a different and a distinct committee. However, the testimony adduced before the committee discloses the fact to be that the course pursued has been a practice of both the major political parties in that State. I assume also it has been a practice indulged in by State committees in many other States of the Union. I doubt not that there are Senators here who can confirm this conclusion.

However, whatever may be said with reference to that matter, whether we put our stamp of approval on it here or whether we do not, or whether individual Members of this body do or do not, permit me to suggest that the State chairman of the Republican State committee in the administration preceding that of Governor Woodring was appointed by the then Governor as the highway director of the State, and it is admitted by the testimony of the Republican Members of the delegation from Kansas in the House of Representatives that the same practice was indulged in by that and other Republican State administrations. The then State chairman, if you please, Mr. President, is the present Governor of the State of Kansas.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MCGILL. I yield to the Senator from Kentucky.

Mr. BARKLEY. As I understand, then, the Republican State chairman under the Republican Governor who preceded Governor Woodring, while State chairman, was appointed director of highways?

Mr. MCGILL. Director or commissioner of highways—I do not recall the exact title of the office.

Mr. BARKLEY. And, while being Republican State chairman and also director of highways, that he collected campaign funds from appointees of the Republican administration?

Mr. MCGILL. What I mean to say is that he was the chairman of the Republican State committee and the testimony before the Senate Finance Committee discloses the fact to be that the Republican State committee indulged in the same practice as was indulged in by the Democratic committee under the administration of Governor Woodring.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MCGILL. I yield.

Mr. CLARK. I should like to ask the Senator if he thinks it would be possible to get letters from any disgruntled Republican office seekers in Kansas to the effect that the present Governor is no good because he did not give them appointments to office?

Mr. MCGILL. I do not like to pass upon what might be anticipated from members of the opposition party. However, let me direct attention to this in support of what my colleague [Mr. CAPPER] has had to say in certifying to the character of the nominee. A distinguished American, one, I feel, who is known either by reputation or personally to practically every Member of this body, sent a telegram to the chairman of the Finance Committee. This Kansan is a nationally known writer; he is the editor of one of the large daily newspapers of my State. He is not my political ally, and I do not think he has ever been, but, notwithstanding that fact, I regard him to be a man of high character and a good citizen. I refer to the Honorable William Allen White. Here is the telegram, published in the report of the Finance Committee, sent by Mr. White relative to Mr. Helvering. He says:

Speaking as a Kansan of the opposite political faith, I should like to attest the sound business judgment, brains, and high standing as a citizen of Guy T. Helvering.

This communication, the testimony of Republican Members of the House coming from the State of Kansas, and the statement of my colleague at least ought to carry such weight as to overthrow the conclusions reached by the minority of the Finance Committee to the effect that Mr. Helvering is not qualified to fill the office to which the President has seen fit to nominate him.

Mr. President, something has been said in the course of the remarks made by the distinguished Senator from Delaware [Mr. HASTINGS] relative to an investigation conducted relative to the practices of Mr. Helvering and the firm of Washington, Henry & Co. and others before the Bureau of Internal Revenue here in Washington. I do not intend, and I have no desire to take the time of the distinguished Senator from Kentucky, a member of the committee, in discussing in detail the facts relative to the oil concern to which reference has been made, but I do find a significant statement in the conclusion of the report of the special investigator. It would seem, Mr. President, that this investigation was largely brought to pass by virtue of certain articles appearing in a newspaper in the State of Kansas edited by a distinguished Republican, former Governor of the State of Kansas and a former Member of this body. This is what this special investigator had to say at the conclusion of his report:

We were of the opinion that a thorough reexamination of tax cases enumerated in our previous report would disclose practices on the part of Helvering which would warrant his disbarment, at least, and possibly criminal prosecution.

That was the opinion entertained by the special investigator at the time he began the investigation. Let us see what his conclusions are:

However, we have been advised today by Deputy Commissioner Batson that an examination of several of these cases has been made in the Bureau by men selected because of their technical knowledge of the matters to which the cases relate and that they have reported to him that the adjustments appear to have been made in accordance with the law and regulations. Therefore, there would seem to be no occasion to make the field examination which we suggested.

In other words, the conclusion reached was that the cases handled by Mr. Helvering had been handled according to the law and according to the regulations of the Department of the Treasury.

Mr. President, there is other testimony here which has been called to the attention of the Senate in the questions propounded by the distinguished Senator from Kentucky and the distinguished Senator from Missouri relative to the employment of a firm of attorneys here, one being the brother-in-law of a former distinguished Vice President and the other the Republican national committeeman from the District of Columbia. The testimony of the Republican national committeeman from the District of Columbia, who was later employed in the Slim Jim Oil Co. case, was to the effect that the record in said case disclosed no fraud committed or engaged in by Mr. Helvering.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Texas?

Mr. MCGILL. I yield.

Mr. CONNALLY. Is it not true that he not only said there was no fraud, but that there was no contention of fraud by the Government in the case at all?

Mr. MCGILL. That is my recollection.

Mr. CONNALLY. There was no contention by anybody connected with the Bureau of Internal Revenue in the reinvestigation of the case that raised any issue of fraud or charged any fraud?

Mr. MCGILL. That is my recollection.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BARKLEY. Mr. President, I yield 10 minutes more to the Senator from Kansas.

Mr. MCGILL. Mr. President, another matter was mentioned here this morning with reference to the post office at Concordia, Kans., in which some lady by the name of Brown, from Lawrence, Kans., has written the distinguished Senator from Delaware indicating that the postmastership had been sold by Mr. Helvering while he was a Member of the House of Representatives. The postmaster was Mr. A. B. Karney. He appeared before the Finance Committee and disputed any such contention. Mr. A. B. Karney is a man with whom I am well acquainted. He was formerly a member of the State Senate of Kansas and is now a resident of Wichita, Kans.

All the testimony I have been able to read relevant to any alleged irregularities concerning postmasterships has been refuted. Nothing has been brought home to the nominee, Mr. Helvering. I do not care to transgress upon the time of the members of the committee who desire to address the Senate on the question, and I therefore submit, in the light of the record, the nomination of Mr. Helvering should be confirmed by this body.

Mr. MCGILL subsequently said: Mr. President, I find that in the remarks submitted by me a while ago I made an erroneous statement, which I desire to correct. I made a statement to the effect that the present Governor of Kansas was, under the administration of former Governor Reed of that State, highway director. That was my impression at the time. I find, however, I was in error in that statement, and I desire to correct it at this time.

Mr. BARKLEY. Mr. President, I yield 10 minutes to the Senator from Missouri [Mr. CLARK].

Mr. CLARK. Mr. President, there are a few matters in the record which I think should be pointed out to the Senate. We are all familiar with the language of the old hymn we used to hear when we were boys—

While the lamp holds out to burn
The vilest sinner may return.

Therefore it has been a matter of very great interest to every Member of the Senate, to see the distinguished Senator from Delaware [Mr. HASTINGS], who has defended every infamy of the Mellon regime in the Treasury, who was one of those who were active in putting the notorious Bob Lucas into the commissionership of Internal Revenue, maintaining him there just long enough to enable him to read the income-tax returns of the large taxpayers and then taking him out of the Bureau of Internal Revenue and associating him with the unspeakable Joe Grundy for the purpose of "frying fat" for the Republican National Committee, now

so anxious as to the character of Treasury officials. In the light of those facts it is very interesting, indeed, to see the tender solicitude exhibited by the distinguished Senator from Delaware for the standards to be maintained in the Bureau of Internal Revenue.

Mr. President, I invite the attention of the Senate to the fact that upon the Finance Committee are 6 members, 6 Senators, who, over a period of many years, have been closely associated and acquainted with Mr. Helvering, the nominee in this case. The chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON], the Senator from Kentucky [Mr. BARKLEY], the Senator from Connecticut [Mr. LONERGAN], and the Senator from Texas [Mr. CONNALLY], were all Members of the House and served as colleagues of Mr. Helvering during the 6 years of his membership in that body. The junior Senator from California [Mr. McADOO] was Secretary of the Treasury during the period in which Mr. Helvering was a member of the Ways and Means Committee of the House, during the great period of war financing, and came into the closest possible contact with him. I was Parliamentarian of the House throughout the first 4 years of Mr. Helvering's service in that body. I invite the attention of the Senate to the fact that every Senator and everyone else who has personal knowledge of Mr. Helvering and had an opportunity of being personally acquainted with him is strong in his support for this high office.

I invite further attention to the fact that the distinguished Presiding Officer of this body, the Vice President of the United States, served in the House with Mr. Helvering and served upon the Ways and Means Committee with him; that his voice, so far as he is able to express it in this body, is in behalf of the confirmation of Mr. Helvering.

I invite attention to the fact also that the two able and distinguished Senators from the State of Kansas [Mr. CAPPER and Mr. MCGILL], one of them a Republican and the other a Democrat, have given testimony as to Mr. Helvering's fitness for the position; that the distinguished and beloved former Vice President of the United States, Mr. CURTIS, has borne witness to the high standing of Mr. Helvering; that the four Republican Members of the House of Representatives from Kansas, with an opportunity to know Mr. Helvering, have taken the trouble to do the unusual thing of appearing before the Finance Committee to bear testimony to Mr. Helvering's fitness for the position.

I invite attention to the fact that two eminent publicists, to mention only two among the many in the State of Kansas, both ardent Republicans, William Allen White and Victor Murdock, have declared openly in favor of the confirmation of the nomination of Mr. Helvering.

Every man except a few soreheaded, disappointed office seekers who have been here in this connection, every man who has had an opportunity of knowing Mr. Helvering, has appeared in support of his nomination, and it has remained only for the Senator from Delaware [Mr. HASTINGS], the distinguished former judge of the police court in Wilmington, Del., to enter upon an excursion into the sewers underneath the factionalism in the State of Kansas to undertake to find some filth to throw upon this nominee.

I am not going to undertake to review the record in this case. That will be done by the Senator from Kentucky [Mr. BARKLEY], who was chairman of the subcommittee of the Finance Committee that heard the evidence, but I do want to call attention to the kind of testimony upon which the Senator from Delaware relies here to make a case.

His star witness, brought at the expense of the Government from away out in Kansas for the purpose of discrediting Mr. Helvering, was a man named Lamb, a disappointed applicant for the post office, rancorous against Helvering because Mr. Helvering did not recommend that his temporary appointment be made permanent.

Mr. Lamb was brought here at Government expense, at the instance of the Senator from Delaware, for the purpose of trying to discredit the nominee in this case. He went upon the witness stand and testified to a state of facts that no reasonable man could possibly believe. He testified

that four times he had been approached by a man named Cassell, who had solicited at his hands a contribution of \$1,000 in consideration of being appointed postmaster; that he had told Cassell to go and tell Mr. Helvering to "go to hell"; that he had nothing to do with him and did not want anything to do with him. He testified further that thereafter Mr. Helvering came to see him at the post office and that he asked Helvering out of a clear sky whether Cassell had delivered the message that Lamb had sent to Helvering; that Helvering replied that he had not, and Lamb thereupon repeated to Helvering that he had sent him word by Cassell to "go to hell."

At that point in the examination he was asked what Mr. Helvering said in response and he said that he could not remember that Helvering had said anything.

He then testified that shortly thereafter he invited Helvering to his own home to dinner; that at the dinner table, out of a clear sky, without anything having been said to justify the remark, apropos of nothing at all, Helvering suddenly informed him that he, Helvering, had had him moved from the bottom of the eligible list to the top of the eligible list; that Helvering claimed to have some sort of control over the Civil Service Commission; and that Helvering then made the significant remark, "I always take care of my friends when they take care of me." When Mr. Lamb was asked what he said in response to this remark of Helvering or what his wife said in response to it or what Helvering said further during the course of that meal, he was unable to remember anything.

Mr. LONG. Mr. President—

Mr. CLARK. I yield to the Senator from Louisiana.

Mr. LONG. Does this man who claims he told Helvering to "go to hell" then invite him to his home to have dinner with him?

Mr. CLARK. I am coming to that in just a moment.

Mr. BARKLEY. Perhaps that is what he meant by "go to hell"—to go to dinner with him. [Laughter.]

Mr. CLARK. In Mr. Lamb's first appearance before the committee he left the very distinct impression that his conversations with Mr. Cassell, in which Cassell had undertaken to shake him down for a thousand dollars on behalf of Helvering, were after he had received the recess appointment and was already in office and when the matter of his permanent appointment was pending. But following Mr. Lamb upon the witness stand Mr. Cassell, the man with whom he claimed to have had these conversations, was called to testify and he made as frank and outspoken and candid a witness as I have ever seen on the witness stand in all my experience as a lawyer.

Mr. Cassell not only denied specifically and categorically the story which Mr. Lamb had told, but he also went into a circumstantial account that at the time of Mr. Lamb's appointment as postmaster he, Cassell, had not spoken to Lamb for more than 8 months. The Senator from Delaware, acting as prosecuting attorney, was not satisfied to leave the record in that shape and he recalled Mr. Lamb and then it was disclosed for the first time that these four conversations which Lamb claimed to have had with Cassell were before Lamb's appointment as temporary postmaster. In other words, Mr. Lamb's testimony—and we took him over the whole matter two or three times—stands in this shape, that he asked the Senate of the United States and the country to believe that four times in the month before his appointment as temporary postmaster, this man Cassell came to him trying to shake him down for a thousand dollars as a condition for Helvering's recommendation of his appointment; that on each occasion Mr. Lamb responded to Mr. Cassell that Mr. Helvering could "go to hell"; that he did not want anything to do with him; that thereafter Mr. Helvering actually recommended him and had him appointed, and Mr. Lamb does not contend he was not appointed temporary postmaster upon the recommendation of Mr. Helvering.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. CLARK. I am glad to yield to the Senator from Kansas.

Mr. MCGILL. Does not the record disclose that Mr. Lamb served a full 4-year term as postmaster?

Mr. CLARK. That is perfectly true; but Mr. Lamb would ask us to believe that, after having been interviewed four times by an agent of Mr. Helvering, who tried to shake him down and who told him he would not be appointed postmaster unless he came through with a thousand dollars, on each occasion responded that Mr. Helvering could "go to hell", and Mr. Helvering actually did appoint him thereafter. He would have the Senate further believe that the first time Mr. Helvering came to Manhattan he came into the post office and out of a clear sky he—Lamb—said, "Did you receive my message that I told Cassell to tell you you could 'go to hell?'" Whereupon Helvering stood mute, according to Lamb. Having received this insulting ultimatum, Lamb would have us believe that Helvering stood there mute and thereafter had no conversation on the subject.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. BARKLEY. Mr. President, I yield 10 minutes more to the Senator from Missouri.

Mr. CLARK. Thereafter, without any further conversation on the subject, Lamb invited Helvering to his house, where apparently amicable relations were resumed; until right out of a clear sky, in the presence of Lamb's wife at the dinner table, Helvering made this preposterous remark to the effect that he "always took care of his friends when they took care of him"; but at that point the conversation was dropped, and nothing further was ever said about the matter.

I say to the Members of the Senate that if they will read the record they will find that the star witness of the Senator from Delaware testified to such a preposterous statement that he is not entitled to the credence of any reasonable man.

Then they brought in another man, out on parole from the Kansas penitentiary for embezzlement, who testified that Helvering told him to go and get a thousand dollars from somebody. It is upon witnesses of that sort, it is upon testimony of that sort, it is upon letters written by members of the group in Kansas headed by the goat-gland specialist, Dr. Brinkley, it is upon the testimony of letters of men who have been dead for 15 years, who were unsworn, to the effect that they knew Helvering to be a rascal—a fact that they discovered after they themselves were not appointed postmasters—that the Senator from Delaware relies to make his case.

I say that the proceedings in this case, the character of the testimony here adduced, and the inclusion in the record by the Senator from Delaware of a letter which had been ruled out by the unanimous vote of every member of the Finance Committee except himself, constitute a highly discreditable performance.

One thing I forgot to recount of the testimony of Mr. Lamb is the fact that according to Mr. Lamb's own statement, while he was not willing to give \$1,000 to be appointed postmaster, so he says, he was perfectly willing to give Helvering a bill that he claimed Helvering owed him. Just what the difference is between a man who admits that he is willing to forgive a small bill and one who is willing to pay a larger sum, what standing he has as a witness, I will leave to the Senator from Delaware to explain. I repeat that the conduct of this matter has been highly discreditable.

Mr. BARKLEY. Mr. President, I suppose I have the right to conclude this argument; and if there are any other speeches against this man's confirmation I should like to have them made now, so that I can answer them all at once.

Mr. COUZENS. Mr. President, I do not know who has charge of the time, but I should like to speak in opposition to the confirmation.

Mr. BARKLEY. The Senator from Delaware has charge of the time on the other side.

Mr. HASTINGS. I yield to the Senator from Michigan whatever time he desires.

Mr. COUZENS. Mr. President, I did not expect to say anything about this case, because the Senator from Delaware [Mr. HASTINGS] has had more contact with the witnesses and has gone more thoroughly into the testimony than I have; but the Senator from Missouri [Mr. CLARK] yesterday took occasion to bring politics into the question. I want to say, so far as I am concerned, that at no time have I engaged in any political controversies in the Senate or had any concern about political appointments.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. COUZENS. Yes; I yield.

Mr. CLARK. I should like to say that I entirely acquit the Senator from Michigan of any such conduct or intention.

Mr. COUZENS. I thank the Senator.

For many long years I have had experience in employing men and engaging men for responsible positions and have not made many errors; but I want to say, in all fairness, that even the confirmation of Mr. Helvering, which is going to take place, is not going to end this controversy. My good friends on the other side of the Chamber can railroad this confirmation through. They have done it in the past, and they are going to continue to railroad confirmations through; but such a course is not going to command public confidence.

If there ever was a time in the history of the Nation when the public should have confidence in their Government, confidence in their public officials, confidence in their integrity and their honesty, it is now. The mere votes of a few Senators on one side or the other, and especially in confirmation of men like this nominee, are not going to settle the issue. If Senators over on the other side do have four or five or a dozen majority to confirm this nominee, I hope they do not think that settles the issue so far as the country is concerned. It is wholly immaterial to me how Senators on the other side vote. They have their own problems to settle; but I want to say to them, in all good faith, that the matter will not be settled after they have confirmed this man.

Mr. President, in my judgment, this man has a disreputable record in his associations with the Bureau of Internal Revenue, the very Bureau of which it is proposed to put him in charge. From my contact with him on the several occasions when he appeared before the Finance Committee, he was shifty, and there was not at any time a doubt in my mind that he had confederates in the Bureau of Internal Revenue.

Mr. President, whether any of these details are proved as to whether Mr. Helvering asked money for post-office appointments, or whether he was a politician, or what he did in his position as commissioner of roads of Kansas, in my opinion, is not material, except so far as those things tend to confirm the type of man he is. Entirely outside of that, however, there is not any doubt in my mind that he had confederates in the Bureau of Internal Revenue, and there is not any doubt in my mind that if his confirmation takes place, and he is sworn in, he will have confederates outside of the Treasury Department.

Mr. President, all we have to consider is the kind of a frame-up that took place in the *Slim Jim Oil Co. case*, where it was perfectly apparent that Mr. Helvering had confederates inside the Bureau who sent out an assessment for one hundred and fifty-odd thousand dollars, and then had the matter fixed up on the outside so that it would be settled for \$7,000.

You lawyers can argue details, and you can discuss words, and you can quibble about whether or not this is competent evidence on which to send a man to jail. That is not the question that controls me. I am not interested in whether this is good or bad evidence from a criminal standpoint. We are not sending this man to jail. We are not going to convict him of being a criminal. We are just going to say whether we, in our judgment, think he is a fit man to administer billions of dollars of revenue that we collect from

the taxpayers of the United States. To quibble about mere details, and whether this is good or bad evidence, in my judgment is entirely wide of the issue.

Mr. McCARRAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nevada?

Mr. COUZENS. I yield.

Mr. McCARRAN. Just for a question. I should like to have an explanation from the Senator as to the discrepancy between the \$125,000 and the \$7,000 settlement. The Senator has it in his mind and has given thought to it.

Mr. COUZENS. I heard that particular part of the testimony. The Senator from Nevada has the figures a little wrong. I have not read the testimony for some days, and I have not it here, because I am not going to go into the details of the testimony. The Senator from Delaware has done that. I am telling you my convictions and observations from contact with the man and hearing part of the testimony. Frankly, I did not hear it all. I reached the full and definite conclusion after seeing him, seeing his shifty eyes and his shifty methods when responding to questions and testifying before the committee, that he was not a fit man for that office; and I reached the conclusion that no matter what kind of testimony he gave, whether it was legally sufficient to convict him of a crime or otherwise, it would not change my opinion as to his fitness for the office.

In response to the question of the Senator from Nevada I will say that, as I recall, there was a dissolution of a company; and when the company was dissolved they set aside \$25,000 to pay, as they thought, their income tax. Later—and if I am slipping up on some of the testimony I hope the Senator from Delaware will correct me—the company got an assessment of \$152,000, I think. They then employed this firm of Washington, Henry & Co., I think the names are, two former employees of the Bureau of Internal Revenue, who in turn employed Helvering. As I remember, one of the officials of the company came to Washington. They met in the Washington Hotel on a Sunday morning. Helvering asked for \$10,000 to employ an engineer, a New York engineer, who he said—

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COUZENS. Just let me finish. I did not interrupt the Senator.

Mr. CLARK. I am sure the Senator does not want to misstate the record.

Mr. COUZENS. The Senator can correct me if I make a mistake. I am not saying that Helvering admits this. I do not charge that. I think he may have denied some of it. I think he afterward testified that he was going to employ an engineer from his own office.

Mr. CLARK. All I wanted to do was to call the Senator's attention to the fact that this man Edgecomb himself appeared on the stand and testified three times that the engineer Helvering wanted to employ was from Washington; and the Senator from Delaware [Mr. HASTINGS] refreshed his memory and said he was from New York.

Mr. COUZENS. I desire to say that I was not present when that testimony was given; but it is wholly immaterial to the point I am coming to, because as a matter of fact, as I recall, no engineer was employed.

Mr. HASTINGS. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Delaware?

Mr. COUZENS. I yield.

Mr. HASTINGS. That is twice that the Senator from Missouri has made that statement. No reasonable man can read the record and no reasonable man could have heard him make the statement without realizing that it was a slip of the tongue, pure and simple.

Mr. CLARK. Three slips.

Mr. COUZENS. It does not matter. We do not need to argue those things. This is not a court. Nobody is being tried under criminal law, and nobody is going to be sent to jail. I want the Senate, if possible, to get the impression that I have of the man. That is the deciding question

here. It is not a question of whether we are going to send him to jail or whether he is going to be convicted. The question is whether or not he is the straight and honest and reliable kind of man that ought to be placed in such an important position. My observation of the man is that he is not.

Then observe, Mr. President, that after this assessment of \$152,000 was received by this man, and after he found that he could not get \$10,000 for his engineer, he entered into an agreement to take what was left out of \$25,000 that the firm had theretofore put aside to pay its income taxes. Now, remember, all the firm had set aside was \$25,000. The Bureau of Internal Revenue had assessed them \$152,000. Any reasonable person knows that when Helvering agreed to take what was left out of \$25,000 for his fee, he knew that the Government was not going to insist upon its \$152,000 assessment.

What happened? They entered into an agreement. The firm say, substantially, they did not have any more money to put up than the \$25,000, that they had already set aside. Mr. Helvering entered into an agreement in which he said, in substance, "I will pay the tax out of the \$25,000 and take what is left", on a \$152,000 assessment.

I was convinced, after observing this man and hearing the testimony, that when Helvering entered into that agreement he knew that the Government never intended to collect \$152,000, and that it was a "phony" assessment. The distinguished Senator from Virginia [Mr. GLASS] has repeatedly stated on this floor, to his knowledge, that thousands of "phony" assessments were made so that confederates outside of the Bureau of Internal Revenue would get a rake-off from having the assessments reduced.

There is no lack of testimony in that connection. There is plenty of it in evidence before this body; and now, Mr. President, it is proposed to put in charge of that very Bureau a man who participated in that practice. Not only did he participate in the practice, but he divided 60-40 with the crooks that were afterward thrown out. No one denies it. It cannot be denied. He testified that he had a 60-40 arrangement to share in the profits of this concern that afterward was kicked out of the Treasury Department for dishonest conduct. Then, after he got his deal concluded with this taxpayer, he walked over to the Treasury Department and got the \$152,000 claim settled for \$7,000; and then they split some \$18,000 between Washington, Henry & Co. and Helvering.

Mr. President, I am not going to waste a lot of time in discussing this question. I am settling this question in my own mind from a keen observation of the man and his past record in connection with the Bureau of Internal Revenue. Politics, and his conduct in Kansas, have no relation to my decision.

Mr. BARKLEY. Mr. President, I want to inquire again whether there is anybody else to speak in opposition to this confirmation?

Mr. HASTINGS. Mr. President, I desire to say to the Senator from Kentucky that I hope to reserve some time myself to make some reply.

Mr. BARKLEY. Mr. President, I inquire again whether I am entitled to conclude the argument in this matter?

The PRESIDING OFFICER. The Chair will inform the Senator from Delaware that he has 59 minutes remaining.

Mr. HASTINGS. Mr. President, I am not ready to take it yet.

Mr. BARKLEY. There will be only one more speech on this side, and I insist that I have the right to conclude the argument. If the Senator is going to use any more time, I want him to use it before I speak.

The PRESIDING OFFICER. Is there further discussion?

Mr. CONNALLY. Mr. President, it seems to me that the contention of the Senator from Kentucky is a fair one.

The PRESIDING OFFICER. The Chair will rule on that. Those advocating the confirmation have the affirmative. The burden is, therefore, upon them, and they have the right to conclude.

Mr. BARKLEY. Mr. President, there is to be only one more speech on this side in favor of the confirmation of Mr. Helvering, and if there are other arguments to be made in opposition, I insist that I am entitled to have them made before I begin my remarks.

The PRESIDING OFFICER. Does the Senator from Delaware desire further to be heard?

Mr. HASTINGS. If the President please, I propose to reserve, if I may, sufficient time to answer the argument made on the other side in reply to the arguments I made yesterday and today. That is my expectation, and that is my right, I respectfully submit to the President.

Mr. BARKLEY. Mr. President, that demand, I will say, is typical of the unfairness which has been practiced in this case from the beginning. I am entitled to conclude this argument.

Mr. HASTINGS. I have no objection to the Senator from Missouri and the Senator from Kentucky accusing me of all kinds of unfairness. I am making this record, and I will leave it to the Senate and to the country to say whether I have been fair or unfair.

Mr. ROBINSON of Arkansas. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBINSON of Arkansas. The Chair having ruled that the concluding argument shall be made by those who favor the nomination, and the Senator in charge of allotting the time to those in favor of the nomination having announced that there is only one more speech to be made from that side, if the Senator from Delaware refuses to proceed with the argument now, or if others opposing the nomination decline to proceed, and the Senator from Kentucky takes the floor, will it not result in precluding further argument from those opposed to confirmation?

The PRESIDING OFFICER. The Chair is of that view.

Mr. McNARY. Mr. President, I think the position of the Senator from Delaware is eminently fair. I think those who are insisting on the confirmation should make their position known, which they have not done up to this time. If the Senator from Kentucky will proceed with his argument to a conclusion, the Senator from Delaware may desire to answer it, and there may be some time left for the Senator from Kentucky. There is no rule by which the Senator from Delaware can be forced to take the floor at this time or at any other time. The orderly procedure and the fair procedure would be for the Senator from Kentucky to proceed. After he has finished his argument—

Mr. ROBINSON of Arkansas. Mr. President, in all proceedings with which I am familiar, those on the affirmative side have the right to open and close. The Senator from Oregon is apparently attempting to reverse that.

Mr. McNARY. Not at all.

Mr. ROBINSON of Arkansas. And I respectfully suggest that there is no argument to support that contention.

Mr. McNARY. I am not suggesting that. I am suggesting that the Senator from Kentucky proceed now if he wants to speak. At the conclusion of his remarks the Senator from Delaware can use the portion of the time allotted to him. There will be opportunity then for the Senator from Kentucky or anyone else to conclude the argument. But it is not fair, and there is no rule to support the position, that the Senator from Delaware should be forced to take the floor at this time.

Mr. BARKLEY. Mr. President, it is perfectly apparent what is intended. The Senator from Delaware spoke 2 hours yesterday and an hour today. At the conclusion of his 2-hour speech yesterday we entered into an agreement to divide the time equally today. He has left 59 minutes, practically an hour, and I have an hour and 15 minutes. If I occupy that hour and 15 minutes now, then the Senator from Delaware will be allowed to occupy an hour in conclusion of the argument, which, I say, under all rules of parliamentary procedure, would be unfair. If I go ahead and speak now and then stop in the middle of my remarks in order that he may occupy his time, it will make it necessary for me to divide my remarks into two speeches, which I do

not wish to do. I insist that, in view of this record, I am entitled to conclude the argument.

Mr. HASTINGS. Mr. President, I am not taking the position the Senator from Kentucky is taking—that I have a right to close the argument. I do not care anything about whether I close the argument or not, but I do want to have an opportunity to reply to what is to be said in favor of confirmation of this nomination.

The Senator from Arkansas points out that the Senator from Oregon is trying to reverse the rule. As a matter of fact, if no objection had been made here, the confirmation would have gone through without argument. I have filed a minority report. I there take the affirmative side, and undertake to sustain the minority report by opening the argument. If I had not made a speech on that subject, the other side would not have made any speech. That shows that the affirmative is upon my side.

I do not care anything about closing the argument, but I do want to have an opportunity to answer the speech made by the Senator from Kentucky if he undertakes to analyze this record, and to show that this man is entitled to confirmation by the Senate.

Mr. CONNALLY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. As I understand, the Chair ruled that the Senator from Kentucky is entitled to the closing speech. If the Senator from Delaware does not care to proceed at this time, would it be in order to move that the Senate take a recess until 1:45 o'clock, and thereby allow the Senator from Kentucky to address the Chair in the allotted time, in view of the insistence of the Senator from Delaware that he proceed?

Mr. McNARY. Mr. President, let me suggest to the Senator from Kentucky that he now proceed with his argument, and we agree that he may have 20 minutes or 30 minutes to close the argument in the case.

Mr. BARKLEY. Mr. President, I have no desire to split up what I have to say in two speeches. In order to accommodate the Senator from Delaware, I would have to stop in the middle of my remarks and let him reply to the first half of my speech, and then proceed with the last half of it.

Mr. REED. Mr. President, as I understand it, the Senator from Kentucky has an hour and 15 minutes of time left. I do not suppose the Senator from Delaware expects to use all of the 59 minutes that remain to him.

Mr. HASTINGS. Not over 10 minutes.

Mr. REED. May I suggest that the way out of this difficulty is for the Senator from Kentucky to go ahead now and use his entire hour and 15 minutes, and then the Senator from Delaware will share with him the 59 minutes that will remain, so that the Senator from Kentucky can make his whole speech, and need not break it in half, as he seems to be afraid he might have to do.

Mr. BARKLEY. I will say to the Senator that I do not even know that I want to use the hour and 15 minutes. I certainly hope that I can conclude in less time than that. But I do not want to be in the position of having to stop in the middle of what I have to say in order that the Senator from Delaware may reply to what I have said up to that time.

Mr. REED. Mr. President, I am proposing that the Senator should not have to stop; that he go ahead and make his full speech now, just as though that ended the whole matter, taking the hour and 15 minutes if he wants to, which is the most he could take under the present arrangement; that then, after that, the Senator from Delaware, who, after all, did have yesterday afternoon's time, share the remaining hour with the Senator from Kentucky. We speak of the right to open and close. It is perfectly obvious that if that right were vested in the Senator from Kentucky he never did open. The Senator from Delaware has never had a chance to answer.

Mr. BARKLEY. The fact that I did not open is no reason why I should be denied the right to close.

Mr. REED. Of course it is not.

Mr. BARKLEY. We had a right to hear the objections. We made a report favorable to this man, and we had a right to presume that his nomination would be confirmed unless there were objection, and the objection was made.

Mr. REED. Of course, and the Senator has a right to answer all that has been said by the Senator from Delaware; but he, in common fairness, ought to have some right to reply to what the Senator from Kentucky may say. That is just elemental justice. If he is willing to share his remaining time with the Senator from Kentucky surely that would be a generous act, and would protect everyone.

Mr. BARKLEY. I want it understood that, whatever arrangement is made, I do not know that I even want to reply.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McNARY. That was the very point I suggested to the Senator from Pennsylvania. The Senator from Delaware has concluded his remarks. He only asks, in common justice, an opportunity to reply to any new matter that may be brought out in the discussion of the subject by the Senator from Kentucky. The Senator from Delaware only wants a few minutes, probably 10 or 15 minutes, to reply. I see every quality of fairness in the proposition that the Senator from Kentucky make his speech in full, then permit the Senator from Delaware to reply briefly, and then, if the Senator from Kentucky desires to close, he will have ample opportunity.

Mr. BARKLEY. Mr. President, if that is understood, I have no objection. It is understood that if necessary I will have sufficient time, out of whatever time remains, to reply, if I desire, to the Senator from Delaware.

Mr. McNARY. I think we have a common understanding.

Mr. BARKLEY. Mr. President, I regret very much that there has drifted into this case what seems to me to be undoubted prejudice.

The PRESIDING OFFICER. May the Chair interrupt the Senator for a moment to say that the 15 minutes which have been consumed in the discussion of the method of procedure will, by unanimous consent, be eliminated entirely from the time to be taken in the argument.

Mr. BARKLEY. That is entirely agreeable.

I regret, as I have said, that what appears to me to be an undeniable element of prejudice has entered into the consideration of this case, and I regret exceedingly to have to include the Senator from Michigan [Mr. COUZENS] among those who seem to be prejudiced against Mr. Helvering by reason of his appearance, or by reason of his manner when he appeared the first time before the Committee on Finance.

Mr. COUZENS. Mr. President, will the Senator from Kentucky yield to me?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Michigan?

Mr. BARKLEY. I yield.

Mr. COUZENS. It was not the first time he was before the committee. He was before the committee several times, as the Senator knows, before the final testimony was taken.

Mr. BARKLEY. I know he was twice before the committee. The Senator from Michigan was present on one of those occasions, but certainly did not hear all the testimony.

The Senator from Michigan awhile ago made the statement, without the slightest evidence whatever in this record, without even a suspicion of anything that could be regarded as reliable testimony, that he believed that Mr. Helvering while he was practicing a year or two before the Bureau of Internal Revenue had confederates on the inside of that Bureau who assisted him in the tricky settlement of tax cases that were pending before the Internal Revenue Bureau. I am surprised and I am pained that the Senator from Michigan, without any evidence whatever, would give expression to such sentences on the floor of the United States Senate.

Mr. COUZENS. Of course I deny that, and the Senator can challenge the good intention of the Senator from Michigan all he wants to.

Mr. BARKLEY. The Senator made that statement here, and the RECORD will show it, just as he made a statement a

few days ago intimating that there were 30 Members of this body under the control and domination of the power interests.

Mr. COUZENS. That is not true, either.

Mr. BARKLEY. If the Senator did not change the Record, he did make that intimation when we were voting on the tax on electric power during the consideration of the tax bill; but I merely mention that as evidence of the fact that the Senator from Michigan, with all his good intentions, with all his fine qualities, draws hasty conclusions as to the character of men with whom he associates.

Mr. COUZENS. And they have proved invariably to be right.

Mr. BARKLEY. According to the Senator's prejudices, of course, his conclusions are invariably right. There have been more underhanded methods resorted to in order to defeat the confirmation of this man Helvering than in any case which has come under my observation since I have been a Member of the United States Senate. The Finance Committee called Mr. Helvering, according to its practice, before it when this nomination was referred to it nearly a month ago. Mr. Helvering was called in to give a sort of résumé of his life and his activities, so that the Finance Committee might size him up, might see him and know something about him. Those of us who had served in the House of Representatives with him knew all about him; we had our own estimation of his character and of his ability; but most of the members of the Finance Committee had not met Mr. Helvering, and, according to the committee's practice in most cases, he was called before them to testify as to his qualifications. The same thing was done with reference to Mr. Acheson, who was appointed Under Secretary of the Treasury, as the same thing has been done with reference to other cases.

When Mr. Helvering came before the committee, without any other member of the committee, so far as I know and so far as the record shows, having been advised of the fact, the Senator from Delaware [Mr. HASTINGS] produced an old record that had been dug out of the Treasury Department, a record which was 14 years old, which Mr. Helvering had never seen, had never heard of and knew nothing about, and the Senator from Delaware began to examine him with reference to certain transactions in 2 or 3 tax cases which I will enter into a little more in detail in a few moments. As a result, a subcommittee was appointed to hold whatever hearings might be necessary, to bring witnesses to Washington to testify, witnesses whose names are in the record which the Senator from Delaware "pulled" on the nominee without his previous knowledge that there was any such record.

I was appointed as chairman of the subcommittee to bring these witnesses to Washington and hear their testimony, to find out whether there was any truthfulness in the insinuations that they had put in the record without the knowledge or without any warning on the part of this nominee. Among those witnesses were a man named Washington and a man named Henry, who had formed a partnership as expert accountants out in Kansas, and who had sent to Mr. Helvering some business involving taxes pending before the Internal Revenue Bureau. After I was appointed chairman of the subcommittee I conferred with the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], as to bringing these witnesses to Washington. I also conferred with the parliamentary clerk of the Senate to ascertain whether we had a right to summon these witnesses and to pay their expenses. I learned that we did have that right. Then I went about learning where they were, and I discovered that one of them was in California, one of them was in Texas, and one of them still remained in Kansas. Just as I was preparing to send for these witnesses, the Senator from Delaware came over to this side of the aisle and said:

I have found a record in the Treasury Department giving the testimony of one of these men, and if Mr. Helvering is willing to accept that as the testimony of this man, I will agree that you need not send for these witnesses, because one of them is in Cali-

fornia and one is in Texas, and therefore it will not be necessary for us to summon these men to Washington to hear their testimony.

I agreed that I would consult with Mr. Helvering and ascertain whether he was willing that the statement which the Senator from Delaware or somebody else had found in the Treasury Department should be accepted as the testimony of, as I recall, Mr. Henry. I saw Mr. Helvering, and he said that he would like to look over it. He did look over it, and reported to me that it would be entirely agreeable for that record to be used as the testimony of Mr. Henry. I notified the Senator from Delaware of that fact; and therefore I did not summon these witnesses before the subcommittee of the Finance Committee.

We went on and had Mr. Helvering before us again. His testimony is outlined here in the record; and it was perfectly apparent that there was nothing to the charges that had been made against him; that they were all *ex parte* insinuations made by certain men for one reason or another; and while we took no formal vote on it at that meeting, it was perfectly apparent that the Senator from Virginia [Mr. BYRD] and myself had reached the conclusion that this man's nomination ought to be confirmed; that we intended to make that report to the full committee, and we did make that report to the full committee 2 or 3 days later.

When the full committee met, and the majority of the subcommittee made their report to the full committee, then it was that the Senator from Delaware read a long written minority report in which he practically accused the Senator from Virginia and myself of refusing to summon these witnesses to Washington under the circumstances to which I have referred. I took occasion in the committee to refer to the fact that the Senator from Delaware had come on to this side and suggested that they be not summoned. He did not deny that statement, and he will not now deny it.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. BARKLEY. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I was just going to say, recalling the statement made a few moments ago by the Senator from Kentucky, that it was at the instance and suggestion of the Senator from Delaware that the witnesses—certain witnesses—be not summoned and that a statement already of record in the Department should be used, that it is astonishing to learn, if it be the case, that the Senator from Delaware would pursue such a course; that he would take the initiative in having the subcommittee refrain from subpoenaing witnesses and then complain that they had not been subpoenaed.

Mr. BARKLEY. That is precisely what did occur, as every member of the Finance Committee will testify, including the Senator from Virginia [Mr. BYRD].

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. BARKLEY. I yield.

Mr. HASTINGS. I think the Senator from Arkansas does not understand—

Mr. BARKLEY. If the Senator from Delaware is going to make a speech, he will have an opportunity to reply. I have not finished.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Kentucky will permit me, I understand fully the statement made by the Senator from Kentucky, and it implies a course of conduct on the part of the Senator from Delaware that cannot be compared favorably with anything charged against Mr. Helvering.

Mr. BARKLEY. I want to say in addition to that—

Mr. HASTINGS. Mr. President—

Mr. BARKLEY. Just a moment; I do not yield at this point. After the minority report had been filed with the full committee by the Senator from Delaware, I think he took the Senator from Virginia [Mr. BYRD] and myself to task for not summoning these men to Washington, and the Senator from Virginia [Mr. BYRD] and I stated to the full

committee exactly what I have said here. Then the Senator from Delaware further insisted that these men be brought to Washington, and, without a dissenting voice so far as I recall, the full committee ordered that these men be brought to Washington; they were brought here at Government expense, and testified as the record here will show. I mention it only as evidence of the tactics which have been resorted to in this case, of the effort to besmirch this man, and the effort to delay action on the part of the Senate until Congress might adjourn so that there would be no action on the matter of confirming the nomination for Commissioner of Internal Revenue.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HASTINGS. Mr. President—

Mr. BARKLEY. I yield to the Senator from Missouri.

Mr. CLARK. I should like to ask the Senator if the effect of this maneuver on the part of the Senator from Delaware in asking that witnesses not be brought before the subcommittee and then insisting that they be brought before the full committee was not to delay any action on this matter for about a week or 10 days?

Mr. BARKLEY. The Senator from Delaware can answer that question; but the result was that action was delayed for about 2 weeks.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, but I cannot yield for a speech.

Mr. HASTINGS. I am not going to make a speech, but I want to explain to the Senator from Arkansas the situation with respect to the witnesses.

The PRESIDING OFFICER. Does the Senator from Kentucky yield for that purpose?

Mr. BARKLEY. How long will it take?

Mr. HASTINGS. A minute or two.

Mr. BARKLEY. I will yield the Senator 2 minutes.

Mr. HASTINGS. I want to say that there was a witness whom it was necessary from my point of view for the committee to hear, namely, Henry, because in the testimony he had given before the Department he said there was a definite contract between him and Helvering with respect to fees, and that was different from what Helvering had stated. He was the only witness that I cared anything about. When we got before the committee Helvering made another long statement, in which he changed his whole testimony—or not the whole of it, but most of his testimony—which made it necessary, after I had heard it, in my judgment, to seek to get the other witness here.

Mr. BARKLEY. The Senator did not renew his request or his demand that these witnesses be brought here until the subcommittee had made its report to the full committee. Then, when we had made our report recommending favorable action, he demanded that these witnesses all be brought to Washington, thereby causing a delay of about 2 weeks in the consideration of this matter.

Not only that, Mr. President, but as chairman of the subcommittee handling this matter as the agent of the Finance Committee, I was entitled to be furnished every bit of the evidence in the Treasury Department with reference to Mr. Helvering. After I was appointed chairman of the subcommittee, and after the Senator from Delaware had produced a report in the full committee, upon which he cross-examined Mr. Helvering without Mr. Helvering ever having known there was any such report, I called up the Treasury Department and talked to Mr. Irely, the Chief of the Intelligence Service, who, in my judgment, has been furnishing the Senator from Delaware all the evidence that he has found in the Department. I asked Mr. Irely whether there was any additional report, whether there was any additional evidence, whether there were any additional documents in the Treasury Department that would shed any light upon this matter. I told him that I was chairman of the subcommittee, and that I was entitled to any such evidence. Mr. Irely replied to me that there was nothing else in the Treasury; that the Senator from Delaware had received the only report that was there, and that there was nothing else there that shed any light upon Mr. Helvering's activities in the Department of the Treasury. Yet at the very next meeting of the sub-

committee the Senator from Delaware showed up with a report that was a foot thick which he had gotten from the very agencies which had denied to me, as chairman of the subcommittee, that there was any such evidence there or that I might have an opportunity to see it.

I point these things out, Mr. President, in order to show that down in the Treasury Department there is a little clique of Mellon appointees who do not want this man made Commissioner of Internal Revenue because they fear—and I hope to heaven the fear may be justified—that he will "fire" every one of them before he is there a week. I know what I am talking about, because I have received evidence from men on the inside of the Department, who have told me all about the little schemes that have been hatched up in the Treasury Department to defeat this man's confirmation.

Mr. DILL. Mr. President—

Mr. BARKLEY. I yield to the Senator from Washington.

Mr. DILL. What is the name of the gentleman who failed to give the Senator the report?

Mr. BARKLEY. His name is Irely, and he is head of the Intelligence Bureau of the Internal Revenue Bureau of the Treasury Department.

Mr. DILL. Either he lacked intelligence when he talked to him, or he lacked integrity.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. BARKLEY. I yield for a question.

Mr. HASTINGS. Is it not true that I turned over several reports to the Senator from Kentucky?

Mr. BARKLEY. The Senator from Delaware turned over certain reports to me after they had been turned over to him first by the agents in the Treasury Department. Every bit of this evidence and all of the reports that I received were received by me from the Senator from Delaware and not from anybody in the Treasury Department, and some of them only after I requested them. When the Senator from Delaware first presented the report to the full committee, which none of us had heard anything about, I asked to see it. Later the Senator sent the other one to my office at my request. I am not accusing the Senator from Delaware of refusing to turn over the reports. I say that as chairman of the subcommittee I had the right to them, at least an equal right with the Senator from Delaware, who was a minority member of the subcommittee. So much for that.

Now, Mr. President, what about Mr. Helvering? I was elected to Congress in 1912. I went into the House of Representatives on the 4th of March 1913, on the day on which Woodrow Wilson took the oath of office as President of the United States. On that same day Guy T. Helvering became a Member of Congress from the State of Kansas. It was at that time an unusual thing for a Democrat to be elected to the National House of Representatives from the State of Kansas, and it has been a rather unusual thing since, although it is not so unusual at the present time. At this moment there sits on the floor of the Senate a distinguished Member from the other body who, during most of the time from then until now, has been the only Democratic Representative from the State of Kansas. I refer to Representative AYRES.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BARKLEY. Certainly.

Mr. MCGILL. In order that the record may be clear I should like to say to the Senator that there are three Members of the House of Representatives sitting on this floor at the present time who are Democrats from the State of Kansas.

Mr. BARKLEY. Yes; as a result of the last election the proportion has been somewhat changed.

I served for 6 years in the House of Representatives with Mr. Helvering. Mr. Helvering was looked upon not only by Democrats but by Republicans as an honest, hard-working, conscientious representative of the people. During his 6-year term he had an honor conferred upon him which comes

to but few men in such a short service. He was made a member of the Ways and Means Committee, which is the ambition of almost every man who comes to the House of Representatives, because that is regarded as the most important and most distinguished committee of the House of Representatives. During his 6 year's service in the House Mr. Helvering became a member of the Committee on Ways and Means and as a member of that committee he helped to frame the income-tax laws of 1916 and of 1917. In the November election of 1918 Mr. Helvering was defeated, along with many other Democrats, by reason of the issues that had grown out of the war and he was retired to private life. When he retired on the 4th of March 1919 I dare say he had no expectation that he would ever enter public life again. He went back to Kansas, located in Salina, organized a bank, and became the president of that bank.

In the fall of 1919, Mr. Helvering made a visit to Kansas City, and while there, more or less accidentally, the auditor of a department store in Kansas City whom he knew began to complain about the interpretation of the Treasury Department with reference to the income tax law as having to do with consolidated returns. The department store had a subsidiary or affiliate known as a "building company of some kind." They had contended that they had a right to make a consolidated return to the Treasury, and the Treasury had denied them the right to make the consolidated return. Knowing that Mr. Helvering had been a member of the Ways and Means Committee, and that he had helped to write the income-tax law of 1917, the auditor of the department store began to berate the Treasury and to berate Mr. Helvering because they had been denied the right to make a consolidated return.

In the conversation Mr. Helvering took the position that the Treasury was wrong about it; that the department store was entitled to make a consolidated return; and he said, "When I am in Washington again" or "if I go back there again" or "if you want me to look into it for you I would be glad to do it, because I think the Treasury is wrong." As the result of that conversation Mr. Helvering did take up the matter with the Treasury Department and convinced them that they were in error, and they allowed this concern to make a consolidated return, which reduced the tax which they were to pay for that year.

Mr. HATFIELD. Mr. President, may I ask the Senator from Kentucky what year that was?

Mr. BARKLEY. The conversation was in the fall of 1919. I think the tax of the previous year was involved. However, that is not material. The conversation in Kansas City occurred in the fall of 1919, months after Mr. Helvering had retired from Congress and had gone back to Kansas and had become president of the bank at Salina.

From time to time business was brought to Mr. Helvering, because, I suppose, of the publicity given his success in that particular case. Be that as it may, there was a firm of accountants out in Kansas known as "Washington, Henry & Co." Up to this time Mr. Helvering had never known anything about Washington or heard of him, so far as I know. He said he did not know him, but he had known Mr. Henry for a number of years. Washington and Henry had been internal-revenue agents out in Kansas, one of them having been appointed deputy collector and then promoted to the position of internal-revenue agent, which, I believe, is a Civil Service appointment. One of them remained in the service for a couple of years, and the other remained probably a little longer; but they resigned from the Treasury Department, not at the same time, not by collusion. Bear in mind that when this case first appeared before the Finance Committee an effort was made to show that almost simultaneously with the retirement of Mr. Helvering from the House of Representatives on the 4th of March 1919 these two internal-revenue agents had resigned and that the three of them, acting in collusion, had gone into partnership to use their experience and their information in order to obtain tax cases before the Treasury Department of the United States.

Mr. HASTINGS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. BARKLEY. I yield for a question.

Mr. HASTINGS. Who made that intimation to the committee?

Mr. BARKLEY. My recollection is that the Senator from Delaware and the Senator from Michigan [Mr. COUZENS] did so in their questions.

Mr. HASTINGS. I am equally sure that I did not.

Mr. BARKLEY. The Senator did not make any direct charge of that sort, but from the questions he propounded to Mr. Helvering as to when he retired from Congress and when the revenue agents retired from the Department, that was the only inference that could be drawn. The facts are that one of the men retired long before Mr. Helvering was defeated in the election of 1918, and he did not even know him at the time he retired. He did not even know him when he came to Washington to represent the department store in the matter of the consolidated return.

Anyhow, these two men formed a partnership in Kansas. They had an office in Wichita and one in Kansas City, I believe. I think the man named "Henry" operated the office at Wichita and the man named "Washington" operated the office in Kansas City, although I may be mistaken as to that. It does not make any particular difference.

Business began to come to Mr. Helvering, and he established an office in Washington, D.C., I think in December 1919, after he had retired from Congress on the 4th of March previous. The firm of Washington, Henry & Co., as tax accountants, with offices in Wichita and Kansas City, sent Mr. Helvering some business. They sent him a number of cases, although he testified that the business which was sent to him was a small proportion of the business that came to him while he maintained an office here in Washington. He testified that business came to him from Oklahoma. The question of depletion and discovery with reference to oil wells became involved in tax matters after the act of 1917, and he testified that a case came to him from Oklahoma involving the question of depletion and discovery, which is a rather technical subject with reference to taxation under the income tax law. Mr. Helvering came to Washington to represent an oil company, in which case the question of deductions on account of depletion and discovery wells was involved. He won that case before the Treasury Department, and as a result other cases came to him from oil companies.

The Senator from Delaware [Mr. HASTINGS] had a lot to say about an oil company called the "Trapshooters Oil Co.", and a case involving the Slim Jim Oil & Gas Co. I do not know anything about how the people of Kansas and Oklahoma select the names of their oil companies. Naturally the name "Slim Jim" would carry with it an implication of some kind that ought to be prejudicial. As to the Trapshooters Oil Co.—bear in mind it is not "crapshooters", but it is "trapshooters"—that company was so named because a number of sportsmen were out trapshooting in a certain section of Kansas and they rather incidentally and perhaps as a matter of sportsmanship bought up a lease on some land and decided to drill a well on it and call it the "Trapshooters Oil & Gas Co."

Mr. HASTINGS. Mr. President, the Senator from Kentucky does not hold me responsible for the particular names that were selected for these oil companies, does he?

Mr. BARKLEY. No; I do not. I think if the Senator had had anything to do with choosing the names, the names would have been even worse. [Laughter.]

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LONG. I was very much disappointed to find that the name was "Trapshooters." I was hopeful that it was a more honorable name and one better understood in the Senate.

Mr. BARKLEY. The name is not "Craps shooters." The mind of the Senator from Louisiana is on an entirely different matter from the one which I have in mind and am discussing. [Laughter.]

At any rate, the one company was called the "Trapshooters Oil Co.", and the other one was called the "Slim Jim Oil & Gas Co." The questions involved in those two cases were entirely different. The Senator from Delaware has undertaken to pursue the *Trapshooters* case and the *Slim Jim* case to such an extent that I am sure he would be able to qualify as "Hawkshaw the detective" in any comic strip in any newspaper in the United States of America.

What are the facts about the *Trapshooters* case? I want to mention that case first. The *Trapshooters* Oil Co., as they finally went on with it, drilled a well in Kansas on this tract of land that they had gathered together. It was a discovery well. When it came in it was what was known as a "gusher." I think the testimony shows that it was the largest single oil well ever brought in in Kansas. I may be mistaken as to that, but I think that is correct. It was such a large well and so unexpectedly large that they had no facilities whatever for taking care of the oil. They had to form pools out of dirt. They gathered the oil together in ponds and in pools and by damming it up with mud and dirt, but before they could make any connections or bring in any facilities whatever for taking care of the oil they tried to cap the well, and in doing so brought salt water into it to such an extent that it was of practically no value whatever. They finally sold the entire property for \$50,000.

It is perfectly easy to explain this nightmare that has been brought in here with reference to the *Trapshooters* Oil Co. They brought in one well which, if it had been maintained, or if other wells of its like had been brought in, would have made these men millionaires over and over again; but while they were trying in an emergency to provide some method of taking care of the oil it went into salt water, and all they got out of it was the oil they had been able to gather in their haste by building these earthen pools, or whatever it was they used to save the oil that was running out of the well. Finally, as I have said, they sold the entire property for \$50,000.

They knew there would be some taxes levied against them by the Federal Government probably, and they set aside more than half of what they got for the property to meet any taxes that might be assessed. They set aside \$25,817 and some cents. I do not know how they arrived at that amount, but that is what they laid aside. They earmarked it and put it away to meet any tax that might be levied against them.

This firm of Washington, Henry & Co. sent this case to Mr. Helvering. Whether they brought it up here at first, or whether they sent it by mail, I do not know. There is some controversy about whether they first saw him in the Washington Hotel here or whether they saw him in the office of the company down at Wichita.

The Senator from Delaware produced this report down here in the Treasury in which a man named "Edgecomb", who was the secretary and treasurer of the company, made an affidavit undertaking to say that Helvering had tried to hold him up for \$10,000 in a room down here in the Washington Hotel, claiming that he had to employ an engineer in New York, in order to boost the fee above what it ordinarily would have been otherwise. That is the whole object of this tirade here on the *Trapshooters* Oil Co. They started out to prove that Mr. Helvering was a crook; and, being unable to do that, now they want to prove that he is a liar. That is all there is to it.

This man said that they came to Washington, and on one Sunday morning they met here in the Hotel Washington. There was a \$152,000 tax assessed against this company, which is not a very strange thing in view of the fact that this enormous well had been brought in out there. It would have been a very modest tax if that well had turned out to be worth anything. They had assessed a preliminary tax of \$152,000. They employed Mr. Helvering through the firm of Washington, Henry & Co., who were tax accountants

in Kansas, and some of them evidently came on to Washington to talk to him about it.

This man Edgecomb, who was the secretary of the company, said that in the hotel here the question of Mr. Helvering's fee came up. Helvering told them that it might require a survey. That is what they say. I do not suppose Helvering at that time knew whether the survey would be required or not. It was the rule, in cases of that sort, to require a survey. Mr. Helvering states that he did demand a \$10,000 fee; that he said that if there was a survey to be made \$10,000 would cover his fee and the expenses of an engineer, and that he had an engineer in his own office who did that kind of work for him, and there was no occasion to say anything about a New York engineer; that he had no New York engineer; that he never had any dealings with a New York engineer, and that he did not even know a New York engineer.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes.

Mr. HASTINGS. I wish to inquire of the Senator whether he can point out any place in the record where Mr. Helvering, the first day he was testifying, denied that it was necessary to have an engineer. He stated positively that he told them it was necessary to have an engineer but he had one in his own office.

Mr. BARKLEY. Oh, well, suppose he did. It was a new case that had just come to him. He knew that, as a rule, a man had to have an engineer to go out and make a survey of oil property. Suppose he did say, "It will be necessary to have an engineer"—what of it?

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. COUZENS. I want to apologize to the Senator from Kentucky for a statement I made just prior to leaving the Senate for my luncheon. I ask now to make it, so that I can go to a meeting of the Banking and Currency Committee.

The Senator referred to a statement I made in the RECORD, I think on May 11; and when I answered the Senator I thought I said "representing the interests." The Senator was correct. I did say "power interests", and "power interests" is in the RECORD. I did not change it; and I apologize to the Senator for contradicting him.

Mr. BARKLEY. I accept the Senator's apology for contradicting me, but I think he ought to apologize to the Senate for making the original statement.

Mr. COUZENS. Would the Senator like me to name them all? The Senator from Kentucky would not want me to name them all, would he?

Mr. BARKLEY. Yes; so far as I am concerned, the Senator can name them. Yes; go on and name them now. The Senator has brought this matter up.

Mr. COUZENS. I beg the Senator's pardon; the Senator from Kentucky brought it up.

Mr. BARKLEY. The Senator from Michigan brought it up a week or 10 days ago. If the Senator wants to name any Senator on this floor who is a tool of the power interests, name him.

Mr. COUZENS. I should not like to do that, because I might make a mistake.

Mr. BARKLEY. The Senator asked me if I wanted him to do it. I say, yes, I should like him to do it.

Mr. COUZENS. I said I might make a mistake.

Mr. BARKLEY. I thought the Senator from Michigan never made a mistake. He said a while ago that he never made any.

Mr. COUZENS. Oh, no; I never said that.

Mr. BARKLEY. The Senator said that he was always correct; that in his estimation of men he was always correct; that he never had made a mistake. [Laughter.]

The PRESIDING OFFICER (Mr. POPE in the chair). The Senate will be in order.

Mr. BARKLEY. Now let us get back to the *Trapshooters* case.

There is a dispute, which I think is totally inconsequential—a misunderstanding, or a lack of memory on the part of somebody—as to what occurred with reference to the fee Mr. Helvering was to receive in the Trapshooters' case.

Mr. Helvering at the time he testified when this report was first brought to his attention said that this had been 14 years ago; that he had many cases at that time, and, of course, he could not remember all the details as to negotiations about a man's fee in a lawsuit. I challenge any lawyer on the floor of the United States Senate to go back 14 years, without having his memory refreshed in some way or other, and give to the Senate or to any committee the details of conversations that occurred between him and his clients by reason of which they arrived at what he would charge as a fee to represent them in any controversy.

The secretary of this company said that the conversation occurred here in Washington; that Mr. Helvering demanded a \$10,000 fee to represent a company against which had been assessed a \$152,000 tax, which I will say was not an unreasonable fee considering the amount involved. Mr. Edgecomb finally proposed to produce what he claimed was a copy of the contract, and said that the contract that was finally entered into was that Helvering agreed to take whatever he might save out of this \$25,000 that had been set aside by the company for taxes when it sold its entire property for \$50,000.

All of their recollections evidently were refreshed by looking at some sort of records or thinking about the matter, because one of the directors of the Trapshooters Co. came on here and testified—his testimony is in the record—that this conversation really occurred out in Kansas, not in Washington, and that the agreement on the fee was entered into in the office of the company in Wichita, Kans.; and that out in Kansas Mr. Helvering insisted on a \$10,000 straight fee to represent a company against which there had been a \$152,000 tax assessed by the Treasury. Well, their gusher well had gone to water. They had nothing. They had sold their entire property for \$50,000. I dare say they could not have paid the \$152,000, or anything like it, if the assessment had been finally determined upon according to those figures. It was testified that finally somebody in the company said, "Well, we do not want to send good money after bad money, and we will enter into this sort of an arrangement with you: We will pay you \$2,500 in cash, and we will give you all above that that you save out of the \$25,000 we have set aside for taxes."

Is there anything crooked about that? How many lawyers are there in this Chamber who, when a client came to them, first demanded a straight fee, but upon discovering that circumstances might justify them in taking a contingent fee instead of a straight fee have not done it? There is not a lawyer in the United States of any general practice who has not had that experience.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. BARKLEY. I do.

Mr. LONG. It was Abraham Lincoln's advice that a lawyer should not take a straight fee; that he should always have a contingent fee.

Mr. BARKLEY. I recall that advice, because in that case the pay would be determined by the success of the lawyer in winning the case. There are thousands and hundreds of thousands of cases in all the courts of this country where, if a lawyer was unwilling to take a contingent fee, honest men would go without representation before courts and juries, because, in order to get into court at all, they are compelled to make a contract with their lawyer that if they win the case the attorney will receive a certain fee, but if they do not win it the attorney gets no fee whatever.

Every lawyer knows that that is true; and yet because, after long negotiations, whether they occurred in Washington or in Kansas, Mr. Helvering was willing to come down from his \$10,000 demand for a fee and accept \$2,500 in cash

and take the rest of it on a contingent basis, we are asked to deny this man confirmation on the part of the United States Senate.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. BARKLEY. I do.

Mr. CLARK. I should like to suggest to the Senator that the record shows that the proposition that was finally entered into was made by Mr. Edgecomb himself as a counter proposition to Helvering's \$10,000 flat fee.

Mr. BARKLEY. Absolutely. If we may admit that whether in Washington or in Kansas Mr. Helvering demanded a \$10,000 fee—and I do not think it makes any difference whether it was in Washington or in Kansas—the counter proposition came from the company to pay him \$2,500 cash, and then allow him whatever he might save out of this \$25,000 that had been set aside for taxes.

Was that an unreasonable fee? Was it an unreasonable agreement between them?

Mr. HATFIELD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I do.

Mr. HATFIELD. Was that the entire amount that he received?

Mr. BARKLEY. That was the entire amount he received. He got the difference between the \$25,000 and what they finally settled the case for. In other words, he got the \$2,500 as a retainer, and then he received the difference between the \$25,000 and the \$7,000, which turned out to be about \$18,000.

Was it an unreasonable settlement that the Treasury Department made? In order to convict Mr. Helvering of any wrongdoing in that case we will have to convict the Treasury of the United States, because this settlement was made by the officers of the Treasury. Senators know the law with reference to depletion and discovery wells in the matter of assessing income taxes against oil companies; and when the Treasury found that this one well the company had brought in as a gusher had gone into water and that they had sold their entire property for \$50,000, the Treasury reduced the amount of the tax from \$152,000, which they had assessed upon the theory that the property was worth something and that the income tax was due, and agreed to accept \$7,000 as an income tax in lieu of the original amount that they assessed against this company.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. Does not the record show that since the final settlement of the Trapshooters' case the record has been three times reviewed by the Treasury Department, and in each case it was found that the settlement was for the correct amount?

Mr. BARKLEY. The record shows that that particular case and this other case that so much noise has been made about, the Slim Jim Oil Co. case, have been examined over and over again; and in the report that was made by this man Partridge and this man Ofterdahl, who was appointed by President Hoover collector of internal revenue in California, and withdrawn because of the opposition of the Senator from California [Mr. JOHNSON], as Members of the Senate may recall, he said that there was an investigation of the firm of Washington, Henry & Co., and that in view of the fact that Helvering had represented them in Washington they were trying to find something against Helvering; but after they had investigated they were told by the assistant to Mr. Blair, the Commissioner of Internal Revenue, that these cases had been gone over by men in the Treasury Department who were experts on the subject, and that every one of them had been settled in accordance with the law and regulations.

What about the Slim Jim case? So far as there is anything in the record against Mr. Helvering, it is a "slim-jim" case, indeed.

The Slim Jim Oil Co. was located in Kansas, I believe. There had been an assessment of an additional tax against them of \$1,211,000. They had been trying for 2 years to get an adjustment of that tax. They made no progress; they got nowhere at the Treasury Department. I do not know whether it was because they had an incompetent attorney, or what the reason was; at least, he could not bring about a settlement. They had nobody in Washington representing them. They employed a Kansas firm to represent this company in the matter of adjusting this tax. After a delay of about 2 years, somebody recommended Mr. Helvering. Whether it was Washington, or Henry, or both of them together, makes no difference. At any rate, Mr. Helvering and Mr. Jouett Shouse were recommended to them as attorneys who had been successful in practice before the Bureau of Internal Revenue, and they were told that if they were in their place, they would employ Mr. Helvering to represent them in Washington. They did employ Mr. Helvering, agreed to pay him a fee of \$25,000, and they paid him that fee.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HASTINGS. At that time he had had but one case before the Department, the record shows.

Mr. BARKLEY. That is a very important circumstance against Helvering. I suppose he ought to be rejected because up to that time he had had only one case. At any rate, he was employed in this case for a fee of \$25,000.

Mr. Helvering contended what evidently had not been contended by the attorneys who had represented this company previously, that under section 210 of the income tax law of 1917 they were entitled to be considered as other companies engaged in the same business had been considered, and that the Treasury should make a lump-sum settlement of the tax under section 210 of the internal-revenue tax law. Section 210 of the tax law is quite an involved section. I do not pretend that I can explain altogether just what it means, although I voted for it. The section provides:

That if the Secretary of the Treasury is unable in any case satisfactorily to determine the invested capital, the amount of the deduction shall be the sum of (1) an amount equal to the same proportion of the net income of the trade or business received during the taxable year as the proportion which the average deduction (determined in the same manner as provided in section 203, without including the \$3,000 or \$6,000 therein referred to) for the same calendar year of representative corporations, partnerships, and individuals, engaged in a like or similar trade or business.

When Mr. Helvering took over this case for the Slim Jim Oil Co. he contended before the Treasury Department that they were entitled to a settlement under section 210. He went before the Department, he appeared as their attorney, he had conferences with the men in charge of the oil section in the Treasury, he had conferences with their tax committee. On yesterday the Senator from Delaware undertook to make a point against Mr. Helvering because he could not remember how many members there were on the committee in the Treasury Department which had charge of considering a tax of this sort. Whether there were five or ten or a hundred or a thousand makes no difference. Mr. Helvering appeared before them and represented that, under section 210 of the revenue act, this company was entitled to a settlement based upon what might be regarded as a compromise.

Mr. President, we all know that the Treasury Department compromises tax cases every day and every week and every year. That was all Mr. Helvering contended for, that under this section they were entitled to the assessment of a lump sum, based upon the treatment accorded others engaged in the same kind of business and as to which other settlements were being made in the oil division.

They finally agreed to make a settlement under section 210. The memorandum in this record, made by the Deputy Commissioner of Internal Revenue, Mr. Batson, I believe, who was next in authority to Mr. Blair, the Commissioner of Internal Revenue, shows that that case was settled according to Mr. Helvering's contention under section 210.

Mr. Helvering did not know what the amount would be when he persuaded the Treasury Department to settle the case under section 210. He considered that he had won his point, and that it only remained for the Treasury Department to make the calculations as to the amount, and he did not appear any more in the case.

They made their calculations and wrote a letter to the Slim Jim Oil Co., fixing the tax at \$459,000, and the company wrote to Mr. Helvering, their attorney, and said, "That is the amount they have assessed against us, and we are going to pay it." They did pay it, and Helvering dropped out of the case.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. The Senator will recall that, although the Senator from Delaware had this whole record in his possession, the only member of the committee who had access to it, including the memorandum on review from the auditor of the Treasury Department setting forth that this case had been settled under section 210, the Senator from Delaware was not fair enough to put that into the record, and it remained for Mr. Helvering's counsel to drag it out and put it in the record.

Mr. HASTINGS. Where is it in the record, may I ask?

Mr. CLARK. I cited it to the Senator yesterday.

Mr. BARKLEY. Mr. President, the Senator from Delaware did not put it in, that is all I can say; he did not put it in, and the counsel for Mr. Helvering did put it into the record.

Mr. HATFIELD. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. HATFIELD. Mr. Helvering decided, or at least he came to the conclusion, after he had convinced the Treasury Department that the Treasury Department should settle with this concern under section 210, that he had completed what he started out to accomplish?

Mr. BARKLEY. Absolutely. From that time on it was a matter of calculation down there among the experts as to how much the tax would be. They made that calculation and wrote a letter to the company in Kansas fixing the tax at \$459,000, which was paid, and after Mr. Helvering had convinced them that that was the proper way to make the settlement he left Washington, or he left the Treasury, without any idea of how much the amount would be when it was finally calculated. He did not know how much the tax would be until his clients wrote him a letter and said they had received that notice, and they had decided to pay it.

Mr. HATFIELD. And the original amount of the tax was how much?

Mr. BARKLEY. One million two hundred and eleven thousand dollars. In the meantime there was a change in administration, a new regime came into the Treasury Department, and for whatever reason—I suppose for reasons which they thought were sufficient—they decided to reopen the Slim Jim Oil Co. case. They notified the company that they were going to reopen it and assess an additional amount against them for the tax.

The company approached Mr. Helvering to go on and represent them in that reopening. When he got down into the Treasury and found that, instead of making that settlement under section 210, as he had thought and as he had argued, they had made some readjustment of the income from 1917 back to 1916, because the negotiations for the sale of the property took place in 1916, although the actual documents for the sale were made out in 1917, he came to the conclusion that somebody in the Treasury Department or the accountants who had brought the case to him had not been fair with him, that they had not made the calculation according to his contention, and he refused to have anything more to do with the case, and did not. I contend that instead of using that as evidence of the dishonesty of Guy Helvering, it was to his everlasting credit that he would not have anything more to do with that case, because they had not made the calculation, as he thought, in accordance with

the agreement he had entered into with the Treasury as to the basis upon which they decided the case. Not only that, not only did he have nothing more to do with the Slim Jim Oil Co. case, but he had nothing more to do with the firm of accountants who had sent him the case.

Mr. President, based upon this proceeding and this investigation about the Slim Jim Oil Co. and about the Trapshooters Oil Co., which is the basis of the report the Senator from Delaware sprung on the committee and on Mr. Helvering at our first session, an investigation was made of Henry and Washington to determine whether they had been guilty of any such unethical conduct as to bar them from practice before the Treasury Department. It turned out, as a matter of fact, that they had never been admitted to practice but as accountants they had gone in with their attorneys and, I think, had sat with them in the informal discussions concerning these cases.

As the result of this investigation they recommended that Washington be barred from practice before the Treasury, but that Henry be allowed to be reinstated. As a matter of fact, it turned out that he had never been admitted, as I have said, but he was later admitted to practice before the Department, and, so far as I know, is now a registered practicing accountant before the Bureau of Internal Revenue.

Mr. Helvering had already severed his connection with the firm, because he discovered that Mr. Washington had admitted to him that, in the calculation and in the making of an amended return, with which Helvering had nothing to do, they had not based their calculation upon his agreement. When that matter was first brought to his attention he used the expression that they had tried to "juggle the figures", and when he found that they had tried to juggle the figures, as he thought then, he refused to have anything more to do with the case, and never from that day on accepted another case from Washington, Henry & Co. I say that is to his credit rather than to his discredit. That is absolutely all there is in these two cases.

How much time have I, Mr. President?

The PRESIDING OFFICER. The Senator has about 18 minutes left.

Mr. BARKLEY. Mr. President, something has been said here about Mr. Helvering's conduct as chairman of the Democratic committee, and as director of highways of the State of Kansas. Senators will all remember that 2 years ago Mr. Woodring was elected Governor of the State of Kansas. It is not necessary to go into the circumstances of that election. He was elected and became Governor, and as such, he appointed a highway commission, and that highway commission named Mr. Helvering as the director of highways of Kansas. The uncontroverted testimony in this record, not only of Democrats but of Republicans, is that during Mr. Helvering's 2 years as director of highways more roads were built in Kansas in proportion to the amount of money spent than in any other State in the American Union.

Mr. Helvering was also chairman of the Democratic State committee. There was a man named Scott who was treasurer of that committee, and after the campaign of 1930 there was a deficit of about \$12,000 in the party treasury. Mr. Helvering, as State chairman, wrote letters to the various counties asking for contributions to take up that \$12,000 deficit. He wrote to some chairmen who wrote back to him that they had already paid their share, and they produced the checks which they had sent to Mr. Scott, the treasurer, which had been cashed by him and had been canceled, but the amounts represented by them never turned in to the State committee.

As a result, Mr. Helvering fired the treasurer of the Democratic committee, and he took that matter before the State committee, and he was upheld unanimously at the State convention. They had no treasurer then, and Mr. Woodring's campaign was over and there were to be no activities particularly until another campaign should come on, so Mr. Helvering had charge of the committee, and he collected enough money to pay off this deficit, and they fired this

defaulting treasurer from the committee, who, by the way, wrote a letter against Mr. Helvering. This man Scott writes a letter to the Senator from Delaware, which the Senator puts in the RECORD, opposing confirmation of Guy T. Helvering, when it turns out that the thing he has against Mr. Helvering is that Helvering fired him because he was crooked and because he did not turn over to the State committee the money he had collected as treasurer of that committee.

Later on last fall, in August, under the law of Kansas they had what they call a party council, made up of all the candidates, those for Governor, for all State offices, for the legislature in both branches, for Congress, for United States Senator, and for county offices, composed altogether of about 290 or 300 men. They held their party council in Topeka; they unanimously endorsed what Mr. Helvering had done to select a new treasurer. Although the man Scott, who makes the charge against him, was there and made complaint against Helvering in the committee, they unanimously sustained Mr. Helvering in all that he had done about it.

Complaint is made because while Mr. Helvering was State chairman contributions were taken up from State employees to help pay the expenses of the campaign. I do not know to what extent that custom prevails in other States, but there is a very general feeling, I think, among Democrats and Republicans alike, that men who are given lucrative positions ought to make some contributions to pay the expenses of the campaign. I do not know whether that is a violation of any man's lofty convictions with reference to political ethics, but I dare say there is not a State in the American Union where men who hold office under an administration do not make contributions to the campaign fund of their party to win the election whenever an election is being held.

Mr. Helvering, as chairman of the State committee, conducted the campaign of 1932. The committee decided to ask contributions of State employees. The testimony here is to the effect that more than half of them made no contributions at all, and not a single man who made no contribution has been "fired" from his position as a result.

The head of every institution, the head of every department, was asked to take up these contributions, and the undisputed testimony here is that last year they raised in Kansas \$69,000 to conduct a campaign involving Members of Congress, United States Senators, governor, members of the legislature, Presidential electors, and county officers—\$69,000. And that the amount paid into the campaign fund, instead of being 5 percent or 10 percent, as the Senator from Delaware contends, amounted to an average of 1.9 percent of 2 years' salary, which if computed on the basis of an annual contribution would amount to nine tenths of 1 percent of a year's salary. Because of that we are now asked to reject Mr. Helvering's nomination.

It is said there was no accounting made of the campaign fund. The Senator from Delaware this morning said that there was no accounting made by Mr. Helvering of the amount of money that he had received. I know that either before the full Finance Committee or the subcommittee, I read a statement from the chairman, which was supposed to have gone into the record. I do not know whether it is there or not, but I have it here. The Senator from Delaware was present and heard me read it. Here is a telegram which I read to the full committee in the presence of the Senator from Delaware. It was supposed to become a part of the record, and it was returned to me by the reporter after it had been used for the record. Whether or not it appears in the record I do not know; I have not had an opportunity to look at the record; but here it is:

[Telegram]

TOPEKA, KANS., May 16, 1933.

Hon. ALBEN W. BARKLEY,

United States Senator.

At the official Democratic State council, held at Topeka, Kans., August 30, 1932, Elmer Scott, former treasurer of Democratic State committee, presented charges against Chairman Guy T. Helvering concerning the handling of State committee finances. Helvering presented to the council an audit of the books of the State

committee by State account. After discussion of charges made the party council unanimously adopted the following resolution, offered by Frank Hodges, of Olathe:

"Resolved, That the Democratic Party council, assembled at Topeka, Kans., as provided by law, approved and adopted the audit and report submitted by Guy T. Helvering, and that the council give Mr. Helvering a vote of thanks for his efficient and unselfish service."

Following the adoption of this report Mr. Helvering was reelected chairman of the State committee without a dissenting vote.

HETTICK.

Secretary Democratic Party Council.

And yet, in spite of that, the Senator from Delaware undertakes to leave the impression here that there was no accounting of the funds collected by Mr. Helvering in that State.

Mr. HASTINGS. Mr. President, may I inquire does the Senator from Kentucky call what he has read an accounting?

Mr. BARKLEY. Do I call that an accounting? Of course I do not call that an accounting; but I cite it as evidence of the fact that there was an accounting made before the only committee where it had a right to be made. The Senator from Delaware certainly does not expect that Mr. Helvering would account to him for his conduct in looking after the finances of the Kansas Democracy.

Mr. HASTINGS. The Senator this morning said, in reference to something I said, that the report of the audit was in the record. That is what I was referring to.

Mr. BARKLEY. I did not say that. I said testimony was here showing that an audit was made. That is what I said.

In addition to that, there is a statement here by a member of the Democratic committee showing in great detail, which I have not time to read, that Mr. Helvering made an itemized statement to the committee of every dollar he had received and where it had gone, which was unanimously adopted, and Mr. Helvering was thanked for his efficiency in connection with the matter.

Mr. President, just one other thing with reference to the effort that has been made here to convict Mr. Helvering of having sold post offices out in Kansas. They have gone all over Kansas to pick up everybody who had any enmity against Mr. Helvering, and I have no doubt there are many there who have had enmity against him, because Senators may recall that the Governor of Kansas a year or two ago instituted proceedings against Henry L. Doherty and the Cities Service Co. and compelled them to reduce their gas charges in the cities of Kansas, and that Mr. Guy Helvering was one of the active spirits behind that movement on the part of the Governor of the State. It may be recalled that Henry L. Doherty bought a newspaper in Kansas City—the Kansas City Journal—with which to fight Governor Woodring and Helvering; and it has been largely due to the malice of this outfit in Kansas that every disappointed applicant for a post office, that every sorehead, that everyone who was not employed by the highway commission has been willing to fill this record with denunciatory letters impugning the motives and impeaching the character and reputation of Mr. Helvering. I have no desire to enter into any factional controversy which may exist in the State of Kansas, but it is well for the Members of the Senate to know something about the motive that is behind this organized effort to destroy a man because they have not been able to control him.

Now, what are the facts? They brought here a man named Lamb, who had been appointed as acting postmaster in Manhattan, Kans., on the recommendation of Mr. Helvering while he was in the House of Representatives and while he was the referee, as we understand the term here, of the Post Office Department with reference to postmaster-ships. From time immemorial it has been customary for the Post Office Department to accept the recommendation of the Members of Congress of the same political faith as the administration in power for post-office appointments in their districts. It is not an invariable rule that the persons thus recommended are appointed, but the recommendations are persuasive, because Members of Congress are supposed to know more about the men and women in their districts than any Postmaster General could possibly know.

While Mr. Helvering was still a Member of Congress, it seems that he recommended the appointment of a man by the name of Lamb as postmaster of Manhattan, Kans. The nomination was not confirmed because there was at that time, as will be recalled, after the election in 1918 a majority of Republicans in the Senate, and they refused to confirm any nominations sent in by Woodrow Wilson at the short session of Congress in 1918. As the result this man's nomination was not confirmed. In the meantime Mr. Helvering went out of Congress, and the question of Lamb's further appointment came up while Mr. Helvering was not any longer in Congress and had nothing more to do with it. There was some correspondence with reference to this appointment between him and another member of the Kansas delegation, who, I think, at that time was the only Democrat from that State. The outcome of it was that Lamb was appointed for the 4-year term, and he served out his unexpired term as postmaster in Manhattan, Kans.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. The Senator will recall, as evidence of the character of Mr. Lamb, the star witness of the Senator from Delaware, that Mr. Lamb on cross-examination was asked if he had ever had any trouble with Mr. Helvering, and he replied that he had never exactly had trouble but had had some misunderstanding with him. Being pressed further as to the misunderstanding he had had with Mr. Helvering he testified that his first acquaintance with Mr. Helvering was in 1914, when he went to see Mr. Helvering to try to borrow \$1,200 from him, although he had never before met him, for the purpose of starting a newspaper, and that when Mr. Helvering refused to loan it to him he proceeded to get mad with Mr. Helvering because the latter did not want to be "shaken down" for \$1,200 by an entire stranger.

Mr. BARKLEY. That is the type of denunciations that have been brought here to destroy this man's character. They dug up in the Post Office Department a letter written, it is claimed, by this man Lamb in which he referred to a letter from or conversations with a man named Cassell, who is alleged to have said that in order to get the permanent appointment Lamb would have to put up a thousand dollars. Based upon that letter there was an investigation made by a post-office inspector. The post-office inspector went to Cassell, took his affidavit, and filed it in the Department. In that affidavit Cassell absolutely denied that any such conversations had occurred or any such letter had ever been written, and that reply and that affidavit of the man upon whom this investigation was based has disappeared from the records of the Post Office Department. In view of that fact I say it was entirely proper to bring Mr. Cassell himself here to testify under oath before the Finance Committee.

When he did so he said he never had any such conversation and never made any such representation; that when he found out that this man Lamb had made an affidavit claiming that he ever did that he denounced him to his face and called him a "dirty sucker"; and that he never had spoken to him from that day to this. That is the kind of testimony upon which we are asked to condemn Mr. Helvering, and those are the tactics that have been resorted to here.

The Senator from Delaware has been busy in exploiting the letter of Lamb and the affidavit of Lamb charging Helvering with some sort of misconduct in the distribution of post offices, but he has deliberately refused to refer from the very beginning until this hour to the testimony of Cassell, who denies it, and says that his affidavit was filed in the Post Office Department, an affidavit that we have been unable to find and to which the Senator from Delaware has never even referred.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. BARKLEY. I yield.

Mr. HASTINGS. I distinctly stated in the minority report and I again stated to the Senate that Cassell denied the allegation. I want to ask the Senator this question: He

saw a copy of the letter which Lamb wrote to the Post Office Department, and I want to know whether, as a member of the committee, he does not agree or would not have agreed if he had been asked that it was important enough to bring this witness to Washington in view of that letter?

Mr. BARKLEY. That is exactly what I started to do until the Senator stopped me, as I indicated in the early part of my remarks. Of course, the letter filed in the Post Office Department was of sufficient seriousness to justify the Department in making an investigation; but what I complain of is that the Senator from Delaware has either suppressed or not referred to any evidence in behalf of Mr. Helvering that was adduced in that investigation to show that he was entirely innocent of the charge made against him by Lamb and the testimony given by Mr. Cassel in the Post Office Department and given before the committee.

Mr. HASTINGS. I have just said that it will be found in the minority report, and that I stated to the Senate that when Cassel came before the committee he definitely and positively denied anything of the kind.

Mr. BARKLEY. I have listened to the Senator very carefully, and I have not heard him refer in his remarks to the denial made by Mr. Cassel of every statement made by Lamb upon which investigation was based and conducted.

Mr. President, of course there has been all sorts of gossip about the way Mr. Helvering conducted the highway department. Reference has been made to the fact that the legislature authorized an investigation of the Highway Department of Kansas. That was given here as a reason why we ought not to confirm him. The Legislature of Kansas that convened in January 1931 did adopt a resolution to investigate that department. It was a Republican legislature. The previous administration had been Republican. The legislature adopted a resolution providing for an investigation of the highway department under Governor Woodring's predecessor. Governor Woodring vetoed the resolution on the ground that it was a useless expenditure, and then by executive order he directed that an audit be made of the Highway Department of Kansas.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. I ask unanimous consent that I may use now 5 minutes of the time which will be awarded to me by the Senator from Delaware.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. BARKLEY. It is agreed that I shall have the closing of the argument, and I will take 5 minutes of that time now.

Mr. President, the session of the Kansas Legislature has just adjourned. A week or two ago it adopted a resolution to investigate the highway department regardless of politics. That is a resolution which seems to be customary and entirely proper in the Legislature of Kansas, providing for a general audit. That is what it amounts to. That audit is in process of being made now. Certainly it is no evidence against Mr. Helvering because the legislature has adopted a resolution to audit all the funds of the highway department under all administrations since the highway department was established in the State of Kansas.

There is not a thing in the record, there is not an insinuation that has been borne out by proof, there is not an innuendo that has not fallen of its own weight, there is not a reason nor an excuse that can be offered against the confirmation of this man to the position for which he has been selected by the President of the United States. Whether the President might have found an abler man, a man better qualified for the position, is not for me to say. Whether the people of my State could have found a better Senator to send here in my place, whether the people of Delaware could have found a better man to send here than the present senior Senator from Delaware [Mr. HASTINGS], whether all of the States might not find better representatives for this body than we are, is a matter about which many people will have honest differences of opinion.

But, Mr. President, we need not speculate about what the President might have done under some different circumstances. He has nominated an honorable, an able, a conscientious, an honest man; and I sincerely hope that Senators on their oaths, on their consciences, without regard to politics, will give this man justice, will deal fairly by him, as he has a right to ask that we deal by him and as we would want to be dealt by if we were in his position under the same circumstances that have been presented here.

Mr. WALSH. Mr. President, as a member of the Finance Committee, in an executive session of that committee I moved that the President be requested to withdraw the nomination of Mr. Helvering. That motion was rejected by the committee. Later the question of confirmation was voted upon by the committee, and I voted against the confirmation of the nominee. My constituents have a right to know my reasons for my action in the Committee on Finance and for my vote in the Senate.

With much that has been said in connection with this case I am not in sympathy. Some of the charges are in my opinion baseless. Some of the allegations have been exaggerated. I have reached my conclusion after giving the most conscientious consideration to the whole case of which I am capable. I do not mind saying to my colleagues that the one thought that dominated me during the whole hearing was this: If a Republican President had submitted this nomination, what course would I take? Again and again I reached the conclusion that I would unhesitatingly and militantly oppose confirmation. I do not feel that I can take any other course because it so happens that the nomination is made by one whom I am most desirous of serving loyally.

Mr. President, we have before us the question of the confirmation of the President's appointee for the office of Commissioner of Internal Revenue. This position in importance is second only to that of the Secretary of the Treasury as far as the fiscal operations of our Government are concerned.

The Commissioner of Internal Revenue is in direct charge and control of the collection of all of our Federal revenues except customs. Through the agents he appoints, he deals directly with every American taxpayer. The discipline, ethics, and standard of efficiency of thousands of employees are influenced by his leadership. I submit that whatever the standards should be with respect to the past business conduct and associations of ordinary Government officials, the highest standard should be required in the case of a man who is to handle several billion dollars of taxes annually. I submit that whatever other qualifications for this position may be required, the highest integrity and an unblemished record are of first importance.

The record of this nominee has been the subject of searching inquiry by the Senate Finance Committee. This inquiry assumed special importance because of the fact that some of the charges brought against him dealt directly with the Bureau of the Government which it is now proposed he is to head.

It is not my purpose to take the time of the Senate to rehearse these charges. They are set forth in the record of the hearings which are on the desk of every Senator, and they have been discussed already at length in this Chamber. It is no more than fair to observe that, as inevitably happens in such cases, the charges are disputed, the facts contradicted, and the appointee warmly defended by his friends.

We are not called upon here today to sit in trial upon Mr. Helvering. It is true that the confirmation of his appointment at our hands may be taken to be our finding that the charges are baseless for, assuredly, if we had a contrary view of the matter, the confirmation of his appointment would be unthinkable. On the other hand, I recognize that if we refuse confirmation, it may be said that we have, in effect, sustained the charges which have been preferred against him and of which he protests his entire innocence. This aspect is always troublesome and embarrassing.

Our first and paramount duty, however, is to shape our course in the public interest. Will the public good be served

by placing in office at the head of the Bureau of Internal Revenue a man whose dealings with the Bureau have been challenged and concerning which suspicions have been created which will persist irrespective of what we do?

I have considered carefully all of the evidence pro and con adduced at the hearings. Inevitably it creates doubts. How, I inquire, should these doubts be resolved except on the side of the public interest? I had hoped that the nomination might be withdrawn, but since this has not been done, every Member of the Senate has a responsibility which he cannot shirk. I am prepared to assume mine even if I stand alone.

The confirmation of a Presidential appointee is no empty ceremony. The constitutional purpose of requiring senatorial confirmation was to put squarely upon the Members of the Senate the responsibility for the character of the men who, in appointive offices, are to operate our Government. Mindful of this responsibility, and with great personal regret, I feel constrained to vote against the confirmation of Mr. Helvering. Had this nomination been made by a Republican President, I would not have the slightest hesitancy in voting against confirmation. I cannot permit my most earnest desire to support the President to lead me to reverse my judgment.

Mr. HASTINGS. Mr. President, it is always a matter of great concern to me to have one of my colleagues charge me with unfair conduct or to have one say anything about me that reflects upon me personally. As I sat here and heard the Senator from Missouri [Mr. CLARK] and the Senator from Kentucky [Mr. BARKLEY] defend this nomination I wondered how it was possible for anybody to get any other impression than that I am the person on trial in this matter. The Senator from Missouri, in a rather sarcastic vein, referred to me as "the distinguished former judge of the police court of the city of Wilmington." I want to say to him now, if he intended that as a reflection upon me, that in all my career as a public servant that job stands out as the one of which I am the most proud, because it gave me the greatest possible opportunity to deal with people who needed help. I took the appointment at the request of my colleague who was Governor of the State at that time and because he believed I could do a good job. Prior to that time, and when I was 34 years of age, I had been made a judge of the highest court of my State for a period of 12 years. In my judgment, I could very well afford to take the judgeship of the police court without it doing any injury to me in the future. I hope it will not do me any harm here, even with the Senator from Missouri.

The Senator referred to Mr. Lucas, who was Commissioner of Internal Revenue, and referred to that twice today as being one of the jobs for which I was responsible. I had nothing to do with it. I was not in the Senate at the time. I was not consulted, and did not know Lucas until long after he was named for that particular position.

The Senator from Kentucky [Mr. BARKLEY] made a statement with respect to this matter, and such a statement that it aroused the Senator from Arkansas [Mr. ROBINSON] to comment upon it. What was it?

In the committee, when it was decided that a subcommittee should be appointed, we were given a period of 7 days in which to make an examination and report back to the full committee. The Senator from Kentucky is wrong in saying that he hunted up these witnesses. I went to Mr. Irey, the man who I understood had this report, and who was an investigator, and I asked Mr. Irey to find those witnesses. The particular witness that I was trying to get before the committee was Henry, because Henry made a statement directly opposed to that which Helvering had made to the committee; namely, that that firm had a definite agreement with Helvering about their fees, while Helvering gave the committee the impression that he got straight fees, and then this auditing firm rendered reports to him as to the amount of expenses for auditing, and so forth. So from my point of view it was important to call that one witness in order to clear up that point; and I pointed out to the

Senator from Kentucky where Henry had testified to this. I gave him the report. I gave him, at his request, all the reports I had, and pointed out to him where he could get this information. He took the report, took it to Mr. Helvering, and Helvering came back and admitted that what Henry said was true, and that he was mistaken when he said there was no such agreement.

Edgecomb was in California; and my recollection is that this was about Thursday of that week, and we had to make a report by the following Tuesday, and I did not suppose it was possible to get Edgecomb here in time to testify before the committee. But may I inquire of the Senator from Kentucky how it happens that it is my responsibility to find out about these witnesses instead of his, when he is the chairman of the committee?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The Senator from Delaware was acting in the capacity of prosecuting attorney in this case; and at the moment when I was preparing to have these men summoned to Washington, as I said a while ago, the Senator came over on this side and advised me that it would not be necessary under the circumstances, and we abandoned the idea. What I complained of a while ago was that when we got into the full committee, after that, the Senator complained of the Senator from Virginia [Mr. BYRD] and myself because we had not summoned these witnesses.

Mr. HASTINGS. Here is the report; and I ask any fair Senator here to read it and see whether the Senator from Kentucky is justified in his criticism of my conduct.

Mr. BARKLEY. I will say that the committee felt so, and that the Senator from Virginia [Mr. BYRD], who was my colleague on the committee, felt so, and other members of the committee felt so after the Senator from Delaware had read that to them.

Mr. HASTINGS. Well, whatever the Senator from Kentucky felt about it, when he said something about it before the committee I distinctly stated that it was not my purpose to criticize my colleagues upon the committee; but here is what happened:

Mr. Helvering came before the subcommittee and made another statement, and he made statements wholly different from that which he made to the committee before. Thereupon it became necessary to get these other witnesses—Washington and all the rest of them—and I am not certain it was not the Senator from Kentucky who then moved that this nomination be approved without an opportunity, even that late, to get Edgecomb and these other witnesses here.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. Yes.

Mr. BARKLEY. As chairman of the subcommittee, I made the report of the subcommittee to the full committee recommending that a favorable report be made on Mr. Helvering. After a discussion of the matter further, and after the Senator from Delaware had, by innuendo at least, criticized us for not bringing these witnesses, we voted unanimously to bring them.

Mr. HASTINGS. The Senator from Kentucky has constantly asserted that I brought forth suddenly these reports from the Treasury Department and confronted Mr. Helvering with them. What actually happened was this: I went before the committee with these reports, and I read to the committee the reports; and it was suggested that Helvering ought to be in there, and he ought to be heard. I insisted, then, that we ought to appoint a subcommittee to consider this matter, that it ought not to be done offhand; so that the Senator from Kentucky and the Senator from Missouri and all other Senators were fully aware of what was in those reports, or at least the important parts that I read to them. It was the committee that called in Mr. Helvering. It was the committee that directed that I proceed to examine him, and I did examine him; and now the Senator from Kentucky complains of me because, in my examination of Mr. Helvering, I appeared, as he puts it, as a prosecuting attorney.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware further yield to the Senator from Kentucky?

Mr. HASTINGS. I yield.

Mr. BARKLEY. I agree that it is true that the Senator, before the full committee, started in reading this report without Mr. Helvering's presence—a report that he had never seen or heard of, whose existence he knew nothing about—and some of us did insist that, as a matter of fairness to Mr. Helvering, he should be called in, in order that he might hear whatever complaint or criticism the Senator might have to make against him; and that was done.

Mr. HASTINGS. I distinctly stated to the committee that what I was doing was wholly preliminary. I have always insisted that, whenever we were making a record of it, Helvering ought to be present.

No; here is what happened:

The Senator from Missouri and the Senator from Kentucky are taking the course that is usually taken when a man has no case. The truth is that these charges cannot be answered; and it is undertaken to answer them by abuse of counsel on the other side, as the saying is. It is undertaken to answer them by having attention directed to the Senator from Delaware in an effort to make the country believe that a fair chance was not given this man to defend himself before the committee.

So far as I know, not a single witness was brought before the committee that I did not request to come there. The Senator from Missouri and the Senator from Kentucky both say that Lamb was the chief witness of the Senator from Delaware; that Lamb was his prize witness. I had no prize witness at all. I called the witnesses that the record indicated ought to be called before a committee that was anxious to find the truth. That is what I did. I called them, and I called them before the committee without ever having seen them. I called Cassell, and I called Pratt, and all the others, and examined them without ever having seen them. But what happened on the other side?

When Washington came here, where did he go? He went to the Washington Hotel, where Helvering was; and it was Helvering who went over with the committee these various matters that were put before them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The evidence shows that after the Senator himself had cross-examined, or had sought to tangle up Mr. Helvering as to his recollection about his fees in 2 or 3 cases, he tried in every way to find whether he had any records. He talked to everybody who had anything to do with him in connection with these two cases. He tried to locate Mr. Washington by long-distance telephone to find whether he had any records that would shed any light on the matter. He never was able to find Mr. Washington over the telephone; but Mr. Washington learned that he had been looking for him, or had been inquiring about him, and went to Mr. Helvering's room of his own accord, and without any request from Mr. Helvering.

Mr. HASTINGS. Mr. President, I do not care to reply to the Senator. He has used expressions about me and about these reports to the effect that I "pulled" them on the nominee, indicating that I was doing something that was not fair, and has said other things with respect to this testimony; and in the *Trapshooters* case, if you please, he does what? He says that in the *Trapshooters* case no injustice was done the Government!

I never charged that any injustice was done the Government. I said definitely and distinctly yesterday that I would have no particular charge against Helvering with respect to the *Slim Jim* Co. case if he had stuck to one story the first day and the second day and the other days that he appeared before the committee. But what did he do? He gave to the chairman of the committee the distinct impression that the *Slim Jim* Co. case was settled by him for an amount of \$459,000, some \$800,000 less than the amount that had been fixed, because a fraud had been practiced upon him by his friend Washington with associates of that company—that is what he told the chairman of the committee, and that is

what he told the full committee—and they did it by padding the returns. He said it more than once. He said it twice.

In the next place, he came before the subcommittee, and what did he say there? He said not what the Senator from Kentucky says he said, but he said there not only that this case was settled by him under section 210 but he gave the distinct impression that it was fully settled under section 210; and he left the impression with the committee that the final amount of money paid in that settlement of \$459,000 was under section 210. It was only afterward, when I was prodding him about his statement that these men padded the books, that he said that 2 years later he went before the department, and there he discovered for the first time that they had not settled the case under section 210. It is his contradictory statements all through with respect to the *Slim Jim* case that in my judgment make this nominee unfit for this position; and with respect to the *Trapshooters Oil Co. case*, in my judgment, the evidence shows complete fraud on his part with a client.

Here is a lawyer who had been practicing law for some time and had a high education. He practiced law up until 1912. He served in the Congress for 6 years; and then, when his client came to him, what did he tell him? He said, "We made a contract in Kansas which we cannot live up to because it is necessary to have a New York engineer and we will have to pay him \$10,000." Talk about his forgetting it! He went into details as to why it was necessary to have an engineer. In answer to my question whether any physical examination was made, he stated positively that a physical examination was made. All of that is what he said about that case, when he knew at that time, and he knew when he testified here, that no physical examination was made, no engineer was employed, and that they got the sum of \$18,000 instead of the sum of \$10,000 that he says was originally paid to him in that case.

That is the kind of testimony that you are asked to believe here with a man appointed to a position like this.

So far as I am concerned, I do not care anything about this case. As I said yesterday in response to the Senator from Missouri [Mr. CLARK], who said that I was against Mr. Helvering because he was the chairman of the Democratic State committee, I never knew that Mr. Helvering was chairman of the Democratic State committee until I heard the statement made by him while he was before the committee. I assumed that he was a Democrat. I have no complaint to make about that. I assumed that this administration wanted a man in that place in whom they had confidence. As I view this record, however, I doubt very much whether the President, if he could look at the matter again, could believe positively that he could have such confidence in this man as would warrant him in placing him in that position if he had it to do again.

Oh, yes; the Senator charges me, and he even charges the Senator from Michigan [Mr. COUZENS], with being prejudiced in this case. Of course, I knew he would charge me with political prejudice; but they have already said that they did not charge the Senator from Michigan with political prejudice. Well, what kind of prejudice do you charge us with? You know we have done nothing more than it is our duty to do as members of the committee and Members of the Senate. That is all I have sought to do. You are entitled to have a Democrat appointed; but, for God's sake, go and get one in whom the people of this country will have confidence, and do not force this man upon the Senate and upon the Nation.

That is what I ask you, as the majority party, to do; and I warn you that if you do not do it, this man's record shows that probably you will be sorry, too, in the years to come.

Mr. BARKLEY. Mr. President, in view of the fact that the last speech of the Senator from Delaware was a reiteration of his first speech, and that there is nothing new in it to which there is any necessity for making a reply, I have no further remarks to make.

I make the point of no quorum, in order that we may have a full vote when the roll is called.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Robinson, Ind.
Ashurst	Couzens	Lewis	Russell
Austin	Cutting	Logan	Schall
Bachman	Dale	Loneragan	Sheppard
Bankhead	Dickinson	Long	Shipstead
Barkley	Dill	McAdoo	Stelwer
Black	Duffy	McCarran	Thomas, Okla.
Bone	Erickson	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Bratton	Frazier	McNary	Townsend
Brown	George	Metcalf	Trammell
Bulkley	Goldsborough	Murphy	Tydings
Bulow	Gore	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	Overton	Walcott
Caraway	Hatfield	Patterson	Walsh
Carey	Hayden	Pope	White
Clark	Johnson	Reed	
Connally	Kendrick	Reynolds	
Coolidge	King	Robinson, Ark.	

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate on official business: The Senator from North Carolina [Mr. BAILEY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. DIETERICH], the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. PITTMAN], the Senator from South Carolina [Mr. SMITH], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Montana [Mr. WHEELER].

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

Mr. BARKLEY (at 2 o'clock and 50 minutes p.m.). Mr. President, there is to be no further discussion, and we might as well vote now.

Mr. ROBINSON of Arkansas. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The agreement was that the vote should be taken at 3 o'clock. The only question in the mind of the Chair is that some Senator who knew of the agreement might not be here until 3 o'clock, and the Chair thinks perhaps we should wait until 3 o'clock. If the Senate desires to vote, that is all right.

Mr. McNARY. Mr. President, it was I who proposed the unanimous-consent agreement that we vote at 3 o'clock.

The VICE PRESIDENT. The Senator is correct.

Mr. McNARY. I think it would be unfair to vote earlier than that hour, because some Senator might have noted the agreement in the RECORD and be depending on our voting at 3 o'clock. It would take unanimous consent, and I shall object.

The VICE PRESIDENT. Objection is made.

Mr. ROBINSON of Arkansas. Mr. President, only a few moments are left before 3 o'clock, and I shall say a word.

Not being a member of the Committee on Finance no opportunity has been afforded me of hearing the testimony of the witnesses relating to the controversy over the nomination of Mr. Helvering to be Commissioner of Internal Revenue.

In view of the statements made by the Senator from Michigan [Mr. COUZENS] that he looked at the eyes of Mr. Helvering and did not like them, that he thought they were shifty, and that he was basing his judgment in this case, not on the testimony, but on general considerations which he thought he had a right to have in mind as to the character and qualifications of the nominee, I feel justified in saying that it has been my privilege to know Mr. Helvering for a good many years. During the period of my acquaintance with him there has been occasion to observe his conduct both as a citizen and as a public official, and I have no hesitancy in saying that, so far as my judgment goes, he measures up to the very highest standards.

It is an act of injustice, in my opinion, for Senators disclaiming political motives, and implying a superior recognition of public duty, to yield themselves to prejudices which cannot be justified in evidence. There have been occasions within the knowledge of every Member of this body when efforts have been made to detract from the character and

honor of citizens and of public officials. If the Senate wishes to lend itself to that form of procedure, it now has an opportunity of doing so. In the testimony and in the able and unanswerable argument of the Senator from Kentucky [Mr. BARKLEY] we have ample justification for the confirmation of this nomination.

It is both unfair and unjust, when a committee of the Senate has heard all evidence offered touching the qualifications and fitness of an appointee to office, to go outside of the record and reach a decision on prejudice; and it does not reflect credit, in my humble judgment, on those who profess themselves to be possessors of virtues superior to ordinary citizens.

The fair, just, and honorable thing to do is to try any case on the evidence. Every man in this country is entitled to the application of that rule. You can arouse suspicion, you can hear rumors, you can lend yourself to the defamation of the best character known to the human mind. A sense of justice, that sense of justice which should inspire all Senators, should compel them to decide issues of this nature fairly; compel them to respond to the natural and logical conclusions to be arrived at from the evidence. Lawyers are listening to me now who know that if their fitness for office were to be determined by the justice of the causes which they have presented to juries or courts they could not stand the test anywhere.

The question is, Does this record show the nominee to be unfit; does it show him to be dishonorable? If any Senator reaches his conclusion to that effect from the evidence, I would never, here or anywhere else, criticize his judgment. But when he admits that he is going outside the evidence and deciding on the color of the eyes, or the shift of the eyes, I say it is time to call a halt, and reach a conclusion according to the evidence. Whatever decision the Senate reaches will be a just conclusion.

The VICE PRESIDENT. The hour of 3 o'clock having arrived, under the agreement heretofore entered into, the question before the Senate is, Will the Senate advise and consent to the nomination of Guy T. Helvering to be Commissioner of Internal Revenue? The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEWIS (when Mr. BARBOUR's name was called). I am requested to state that a general pair has been arranged between the Senator from South Carolina [Mr. SMITH] and the Senator from New Jersey [Mr. BARBOUR]. I make the announcement for the RECORD; I know nothing as to the details of how these Senators would vote.

Mrs. CARAWAY (when her name was called). I have a general pair with the senior Senator from Ohio [Mr. FESS], who is absent. Not knowing how he would vote, if present, I withhold my vote.

Mr. LEWIS (when Mr. DIETERICH's name was called). I wish to announce that my colleague [Mr. DIETERICH] is absent on official business. He is paired with the Senator from New Hampshire [Mr. KEYES]. I announce for my colleague that, if present, his vote would be "yea."

Mr. LEWIS (when Mr. HEBERT's name was called). I am requested to announce the pair of the Senator from Rhode Island [Mr. HEBERT] with myself. If the Senator from Rhode Island were present, he would vote "nay", and were I privileged to vote I should vote "yea."

Mr. LEWIS (when his name was called). Having announced my pair with the Senator from Rhode Island, I withhold my vote, announcing again that, if privileged to vote, I should vote "yea."

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the senior Senator from Colorado [Mr. COSTIGAN], and will vote. I vote "yea."

Mr. LEWIS (when Mr. PITTMAN's name was called). I am requested to announce the absence of the Senator from Nevada [Mr. PITTMAN] on official business. He is paired with the Senator from New Jersey [Mr. KEAN]. Were the

Senator from Nevada present, it is announced he would vote "yea", and the Senator from New Jersey, if present, would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, and not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. AUSTIN (after having voted in the negative). Since voting I have learned that the senior Senator from Virginia [Mr. GLASS], with whom I have a general pair, is in a conference and cannot attend the Senate at the present time, but that, if present, he would vote "yea." I therefore withdraw my vote.

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate on official business:

The Senator from North Carolina [Mr. BAILEY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Virginia [Mr. GLASS], the Senator from South Carolina [Mr. SMITH], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 56, nays 21, as follows:

YEAS—56

Adams	Clark	Hatfield	Patterson
Ashurst	Connally	Hayden	Pope
Bachman	Coolidge	Kendrick	Reynolds
Bankhead	Copeland	King	Robinson, Ark.
Barkley	Dale	Logan	Russell
Black	Dill	Lonerger	Schall
Bone	Duffy	Long	Sheppard
Bratton	Erickson	McAdoo	Thomas, Okla.
Brown	Fletcher	McCarran	Thomas, Utah
Bulkley	Frazier	McGill	Thompson
Bulow	George	McKellar	Trammell
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Van Nuys
Capper	Harrison	Overton	Wagner

NAYS—21

Borah	Hastings	Nye	Walcott
Carey	Johnson	Reed	Walsh
Couzens	La Follette	Shipstead	White
Cutting	McNary	Steiwer	
Dickinson	Metcalf	Townsend	
Hale	Norris	Vandenberg	

NOT VOTING—19

Austin	Davis	Kean	Robinson, Ind.
Bailey	Dieterich	Keyes	Smith
Barbour	Fess	Lewis	Stephens
Caraway	Glass	Norbeck	Wheeler
Costigan	Hebert	Pittman	

So the Senate advised and consented to the nomination of Guy T. Helvering to be Commissioner of Internal Revenue.

MESSAGE FROM THE PRESIDENT—NOMINATION OF SENATOR BRATTON AS CIRCUIT JUDGE

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

Mr. ASHURST. Mr. President, the President of the United States has honored one of the Members of the United States Senate, Hon. SAM GILBERT BRATTON, now a Senator from New Mexico, by nominating him to be a United States circuit judge for the tenth circuit.

I am sure that the Committee on the Judiciary, if this nomination were referred to it, could ascertain no new facts respecting the Senator from New Mexico [Mr. BRATTON]; and, therefore, without any eulogy of his merits and talents as a lawyer and a Senator, I am going to presume to ask unanimous consent that the generous and courteous custom applied when Members of this body are appointed to the bench shall be now observed, and that the nomination be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, on account of the very many charming qualities of the Senator from New Mexico, whose nomination we have received, in behalf of the minority I join in the request made by the able Senator from Arizona.

The PRESIDING OFFICER. No objection being heard, the clerk will read the message from the President.

The legislative clerk read as follows:

To the Senate of the United States:

I nominate Sam Gilbert Bratton, of New Mexico, to be United States circuit judge, tenth circuit, to succeed John H. Cotteral, deceased.

FRANKLIN D. ROOSEVELT.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination?

The nomination was unanimously confirmed.

Mr. McNARY. Mr. President, I move that the President be notified of the confirmation.

The motion was unanimously agreed to.

ASSISTANT SECRETARY OF THE TREASURY

The VICE PRESIDENT. The clerk will state the next nomination on the calendar.

The Chief Clerk read the nomination of Thomas Hewes, of Connecticut, to be Assistant Secretary of the Treasury.

Mr. COUZENS. Mr. President, this is another nomination for a position in the Treasury Department that was reported from the Finance Committee without ever having the nominee appear to be questioned. I do not know of this man's qualifications; I am not in a position to disclose anything which would indicate that he is not competent or fit for the office. However, the Chairman of the Committee on Finance promised me that he would have Mr. Hewes come before the committee before the nomination was taken up. I now ask the Chairman of the Committee on Finance whether or not he is going to give us an opportunity to examine Mr. Hewes or whether it is proposed to railroad this nomination through?

Mr. HARRISON. I may say that the Senator did request, I think, some 4 days ago, that Mr. Hewes be brought here to be questioned.

Mr. COUZENS. That is correct.

Mr. HARRISON. I spoke to the Senator from Connecticut [Mr. LONERGAN] and asked him to try to get Mr. Hewes to come here. I was told that he could not get here for a few days but would send certain information, and I had hoped that the matter would be straightened out. If, however, the Senator from Michigan insists on the nominee coming down, in view of what I told him, I think the nominee ought to appear before the committee.

Mr. COUZENS. Mr. President, I should like the Senator to do that, because I have a bundle of information here, and I do not like to put it all in the RECORD without giving the nominee a chance to be heard.

Mr. HARRISON. I thank the Senator. I ask that this nomination be passed over for the present, and we will try to have Mr. Hewes come here.

The VICE PRESIDENT. Without objection, the nomination will be passed over. The next nomination on the calendar will be stated.

THE JUDICIARY

The Chief Clerk read the nomination of James R. Fleming, of Indiana, to be United States attorney for the northern district of Indiana.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Val Nolan, of Indiana, to be United States attorney for the southern district of Indiana.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the calendar.

REPORT OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations, which were ordered to be placed on the calendar:

Arthur A. Quinn, of New Jersey, to be comptroller of customs in customs collection district no. 10, with headquarters at New York, N.Y., in place of Arthur F. Foran; Clement L. West, of Omaha, Nebr., to be collector of customs for customs collection district no. 46, with head-

quarters at Omaha, Nebr., to fill an existing vacancy; and James J. Connors, of Juneau, Alaska, to be collector of customs for customs collection district no. 31, with headquarters at Juneau, Alaska, in place of John C. McBride.

Mr. BAILEY, from the Committee on Finance, reported favorably the nomination of John Bright Hill, of North Carolina, to be collector of customs for customs collection district no. 15, with headquarters at Wilmington, N.C., in place of Mrs. Fannie Sutton Faison, which was ordered to be placed on the calendar.

Mr. WHEELER, from the Committee on Indian Affairs, reported favorably the nomination of William Zimmerman, Jr., of Illinois, to be Assistant Commissioner of Indian Affairs, vice J. Henry Scattergood, which was ordered to be placed on the calendar.

LEGISLATIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate resume legislative session.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 5790) to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J.Res. 48) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Posheng Yen, a citizen of China, and it was signed by the Vice President.

APRIL REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, the report of the activities and expenditures of the Corporation for April 1933, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case, which, with the accompanying statements, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Twenty-sixth Annual Congress of the Descendants of the Signers of the Declaration of Independence, affirming its opposition to the recognition of the present Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the aldermen of the city of Chelsea, Mass., protesting against the reported suspension of repair work at the Charlestown Navy Yard until 1935, which was referred to the Committee on Naval Affairs.

Mr. BULKLEY presented the following joint resolution adopted by the Legislature of the State of Ohio, which was referred to the Committee on Foreign Relations:

Joint resolution memorializing the Senate of the United States of America to act favorably and promptly upon the three World Court treaties which are now upon its Executive Calendar

Whereas the Ohio Senate on February 10, 1925, called upon the Senate of the United States "to act favorably and promptly on the proposal for American adherence to the world court"; and

Whereas the Senate of the United States on January 27, 1926, by a vote of 76 to 17, approved the adherence of the United States to the World Court, with five reservations; and

Whereas these reservations are now fully met in the judgment of the Department of State and of such authoritative bodies as the American Bar Association and the Ohio State Bar Association by the three treaties now awaiting the Senate's consent to ratification; and

Whereas the completion of the adherence of this country to the World Court as the outstanding agency for the judicial settlement of certain classes of international disputes would contribute

to that sense of international security of which the nations of the earth now stand so much in need; and

Whereas the question of our adherence to the Court has now been before the country and the Senate in some form for 10 years and is, in our judgment, entitled now to settlement on the merits: Therefore be it

Resolved by the General Assembly of the State of Ohio, That the members of the General Assembly of the State of Ohio hereby memorialize the Senate of the United States to act favorably and promptly upon the three World Court treaties which are now upon its Executive Calendar; and be it further

Resolved, That a copy of this resolution be forwarded to each of the two United States Senators from Ohio.

REMONETIZATION OF SILVER

Mr. WHEELER presented resolutions adopted by Glentana Local, No. 334, Farmers Union, of Glentana, Mont., which were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

(Unanimously approved by Glentana Local, No. 334)

Whereas the Federal Reserve Banking System, owned and controlled by private money lenders and users, is a debt-making financial system that has bankrupted the Nation and its people, creating crimes, suicides, and insanity; now imperiling the functioning of our Government, and has placed a yoke of bondage on the people of the United States; and

Whereas, under powers granted to Congress, the Constitution provides in article I, section 5, that Congress shall have power to coin money, regulate the value thereof, and of foreign coin:

Therefore the Federal Reserve banking laws are unconstitutional, and have sunk this Nation in despair and left it torn and bleeding: Therefore be it

Resolved, That we demand the repeal of this hell-born financial system, that the Federal Reserve Act be abolished. The United States Government issue non-interest-bearing Treasury notes, and never again be guilty of the crime of issuing interest-bearing bonds; and be it further

Resolved, That the crime of 1873 be atoned for and that Congress immediately enact the Wheeler silver bill (S. 70) remonetizing silver; and be it further

Resolved, That as a further measure to end this crazy criminal banker-made depression that Congress immediately enact the Frazier farmers' farm relief bill (S. 457) and immediately pay the soldiers' bonus with non-interest-bearing Treasury notes. Such notes to be full legal tender for all debts, public and private, omitting any reference to any Federal Reserve bank or banker as provided for in H.R. 7726; and be it further

Resolved, That Senator WHEELER be asked to insert it in the CONGRESSIONAL RECORD.

FRANK SCHUSTER, *President,*
JOHN ZIMMER, *Secretary,*
Farmers' Union, Glentana, Mont.

REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H.R. 1767) to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States, and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego, reported it without amendment and submitted a report (No. 103) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replating and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, reported it with amendments and submitted a report (No. 104) thereon.

INVESTIGATION OF RACKETS AND RACKETEERING

Mr. STEPHENS, from the Committee on Commerce, to which was referred the resolution (S.Res. 74) authorizing an investigation of the matter of so-called "rackets" with a view to their suppression (submitted by Mr. COPELAND on May 8, 1933), reported it with an amendment in the nature of a substitute, and the resolution was ordered to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILL:

A bill (S. 1809) for the relief of Arthur L. Benedict; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 1810) to amend the act authorizing the issuance of the Spanish War Service Medal; to the Committee on Military Affairs.

A bill (S. 1811) for the relief of James Maurice Reagan; to the Committee on Naval Affairs.

By Mr. MCGILL:

A bill (S. 1812) granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 1813) providing for the sale to Joe Graham Post, No. 119, American Legion, of the lands lying within the Ship Island Military Reservation in the State of Mississippi; to the Committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 1814) to authorize the Secretary of War to erect one marker for the graves of 85 Confederate soldiers, buried in the Old Rondo Cemetery in Miller County, Ark., in lieu of separate markers as now authorized by law; to the Committee on Military Affairs.

By Mr. BARKLEY:

A bill (S. 1815) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.; to the Committee on Commerce.

AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. FESS submitted an amendment intended to be proposed by him to House bill 5389, the independent offices appropriation bill, which was ordered to lie on the table and to be printed as follows:

On page 34, after line 24, to insert the following:

"AMERICAN HISTORICAL ASSOCIATION

"For printing the annual report of the American Historical Association, \$6,000."

MERGER OF GEORGETOWN GASLIGHT CO. WITH WASHINGTON GAS LIGHT CO.—AMENDMENT

Mr. CAPPER submitted an amendment intended to be proposed by him to the bill (S. 1403) to authorize the merger of The Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes, which was ordered to lie on the table and to be printed.

ORGANIZATIONS WITHIN THE FARM-CREDIT ADMINISTRATION—AMENDMENT

Mr. DILL submitted an amendment intended to be proposed by him to the bill (S. 1766) to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENTS TO INDUSTRIAL CONTROL AND PUBLIC WORKS BILL

Mr. OVERTON submitted an amendment intended to be proposed by him to House bill 5755, the so-called "industrial control and public works bill", which was referred to the Committee on Finance and ordered to be printed.

Mr. REYNOLDS submitted an amendment intended to be proposed by him to Senate bill 1712, the so-called "industrial control and public works bill", which was referred to the Committee on Finance and ordered to be printed.

REFERENCE OF A RESOLUTION—INVESTIGATION RELATIVE TO RECEIVERSHIPS AND BANKRUPTCY PROCEEDINGS

On motion of Mr. ASHURST, and by unanimous consent, the resolution (S.Res. 78) authorizing the appointment of a special committee to investigate the administration of bankruptcy and receivership proceedings in United States courts (submitted by Mr. McADOO on the 12th ultimo) was taken from the table and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

NOTICE OF MOTION TO SUSPEND THE RULES

Mr. McKELLAR presented a notice of motion to suspend the rules, which was read, as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to House bill 5389, the independent offices appropriation bill, the following amendment, viz:

At the proper place in the bill to insert the following:

"Section 5 of the Reconstruction Finance Corporation Act, approved January 22, 1932, is amended by adding after the words 'Agricultural Credit Corporation', in the eighth line of said section, the following: ', producers of finished articles, from raw or unmanufactured materials, the products of the soil or forest.'"

The VICE PRESIDENT. The amendment intended to be proposed by the Senator from Tennessee [Mr. McKELLAR] will be printed and lie on the table.

PAYMENT TO SURPLUS GRADUATES OF NAVAL ACADEMY—CONFERENCE REPORT

Mr. TRAMMELL submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5012) to amend existing law in order to obviate the payment of 1 year's sea pay to surplus graduates of the Naval Academy, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

PARK TRAMMELL,

GEO. MCGILL,

Managers on the part of the Senate.

CARL VINSON,

FRED A. BRITTEN,

Managers on the part of the House.

HOUSE BILL REFERRED

The bill (H.R. 5790) to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

ADDRESS BY SENATOR CLARK AT MARSHALL COLLEGE, HUNTINGTON, W.VA.

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address delivered by the junior Senator from Missouri [Mr. CLARK] at the commencement exercises at Marshall College, Huntington, W.Va., on Monday, May 29, 1933.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Shawkey, members of the faculty, and student body of Marshall College, ladies, and gentlemen, let me say at the outset that this is a day which brings to my heart and mind feelings for which I have no adequate words of expression. The honor which I feel at being invited to deliver the commencement address at this historic institution and the extraordinary gratification which must inevitably come to me at being awarded by the faculty the honorary degree of doctor of laws—both of which, I assure you, I keenly appreciate—are merged and submerged in the overwhelming feeling of pleasure in being allowed to stand today in the haunts where my father stood when as a young man of 23 he succeeded, at Marshall College, President Morrow, the distinguished father of the late Senator Dwight F. Morrow.

My father during the course of his life received many high honors, but none which he treasured more, of which he was more proud, than that of having been in his young manhood the president of Marshall College. For many years he retained the distinction of having been the youngest college president in the United States. His children were raised to appraise that honor as one of the highest that was ever bestowed upon him throughout his life.

Nearly 22 years ago, on the occasion of his last visit to Huntington, I had the pleasure of being with him when from the rostrum in this college he publicly expressed his pride in his connection with it and his undying affection for the institution. And so, while I have been in Huntington only once before in my life, I am certain that you will all understand why, in a very

real sense, I have a feeling of coming home to be at Marshall College today. For after all, when all is said and done, nothing can possibly afford a normal man more pleasure than to

"View the same scenes,
And drink the same streams
And to run the same course
That his fathers have run."

So today I feel that I am no stranger to these walls, and I know that my father, if he might be here today to see the splendid progress of the institution whose growth he fostered so many years ago, would rejoice as doth the upright in heart.

It is difficult for public men, in making commencement addresses, to avoid banality, on the one hand, and argumentation, on the other. Every reasonable citizen entertains such sincere feelings of congratulation and good wishes for the young men and women who have been fortunate enough to complete a college education that nearly everything which may be said in that regard has become worn and frayed from previous usage to an extent where commencement addresses have by tradition become conventional and tiresome. On the other hand, there is the constant temptation on such an occasion to a man in public life to undertake to expound his own theorem, with the idea that he may be able to make converts among those newly coming to the more active phases of our national life for the particular theories to which he himself adheres.

Therefore, today, graduates of Marshall College, I shall endeavor to avoid both precept and propaganda. I shall remind you only of a few things which you yourselves do know, if you have been as admirably trained for the battles of life as I am sure you have, and I shall endeavor to endear myself to your hearts and write my name on the tablets of your memory by making these remarks mercifully brief.

The young men and women who graduate from the colleges and universities of the United States this spring are coming into the activities of the world to face unparalleled conditions. Measures are in progress which bid fair to radically, probably permanently, change the whole of our governmental, economic, and social fabric. The classes which left the colleges of the North and South in 1861 to don the blue or the gray, as the case might be, the young lads who as members of the Cadet Corps of Virginia Military Institute met the embattled Union hosts at Newmarket, the numberless youths who left school as mere boys in 1917 to become stern-faced men in the Argonne and Saint-Mihel, all embarked upon enterprises calling to the patriotism and calculated to stir the blood of men harking back to long generations of martial sires. You leave these cloistered halls in times of even sterner stress.

Never in the history of the United States, never in the history of the world, has there been a time when there was more vital necessity for the active participation in public affairs of men and women of trained intelligence than exists today. The world is in a welter of depression and despair. For this reinforcement of progressive thought and action, we must look primarily to those who have had the advantages of a college education, who, fortunate above their fellows, have been privileged to enjoy the opportunity to study questions of public import, and who owe an obligation to their country—and more particularly to those whose sacrifices made their advantages possible, to live up to the full requirements of citizenship.

There was a time not so long ago when in the full tide of a pseudo-prosperity in this country, there was almost a cult among the intelligent and the well-to-do that it was a disgrace to take an interest in politics—or in public affairs because that is all that politics is. In the recent election, the tremendous increase in the popular vote showed a sudden and overwhelming return to realization upon the part of the great mass of the people that politics is, after all, nothing more than business—your business, my business, the business of all of us. Indeed, in these parlous times it is about the only business left to millions of our citizens.

I urge upon you, as among those who have enjoyed exceptional advantages in life, that there is no higher obligation of citizenship than that of participating actively in public affairs. Not that I urge you to run for public office—that is a poor enough business when you are successful and it is an infinitely sorry business when you lose—but the highest hope for the Nation's welfare is for an intelligent electorate to study the public questions of the day and for every qualified voter to go to the polls on election day and vote his honest convictions, no matter what they may be. To the failure of decent citizens to properly study public questions and then enforce their sovereign will at the polls, all our municipal disgraces and nearly all our State and National difficulties are directly chargeable.

There does not exist in the whole United States a city or hamlet where decent, law-abiding citizens do not far outnumber the racketeers, the criminals, and the corrupt. These sinister elements exist only through the neglect of the decent majority to adequately enforce its will through government. If I had my way, I would have every State provide by law that any citizen who failed without proper reason to exercise the right of suffrage should be deprived of that right for a specified period. My most fervent prayer for the future of this Republic is that the time may come when every citizen may have the intelligence to cast his vote and the courage to cast it as he pleases, regardless of every boss, file leader, and whip cracker in the land.

I do not desire today to discuss in any way our domestic, political, and economic problems, for anything that I might say in that regard might smack of partisanship. But I do wish to

invite your attention briefly to a subject so vital in its possibilities, so dread in its implications as to challenge the interest of every thinking man or woman in this Nation, or for that matter, in the whole world, and that is the imperative necessity for a cessation in the race of competitive armaments which is bankrupting the world and for the establishment of permanent peace through disarmament. To my mind, President Roosevelt's most magnificent achievement has been his stirring and dramatic appeal to the nations of the world to avoid the dangers of new and more terrible conflicts through the medium of universal and pro-rata disarmament. It is of supreme importance that there be created in this country an overwhelming public sentiment in support of this endeavor. Backed by this sentiment in our own country, the President will be immensely strengthened in his dealings with other nations.

Almost 20 years ago the world was shaken by the tragic cataclysm of the World War. It is not necessary to speak of the horrors of that dreadful calamity—of the millions of lives that were sacrificed, of the oceans of blood that were poured out, of the billions of treasure that were sacrificed, of the moral and governmental deterioration that accompanied and followed the awful conflict. We all know that story. Today the world is still reeling and suffering from the effects of the struggle. The world is still paying the price in the breaking down of governments, in revolution, dictatorships, depression, panic, and famine. If civilization is to endure, this ordeal must not be repeated. Yet in the midst of world-wide desolation the nations of the world are persistently arming for the next conflict. To say nothing of the perils to civilization in such a course, in this time of universal stress it constitutes the most shocking and indefensible economic waste in history.

We are a creditor Nation. Most of the nations of Europe are heavily in our debt, owing us billions which they now profess themselves unable to pay. Complex as is the problem of the interallied debts in many respects, its general outlines may be simply stated and easily understood. During the Great War and after its conclusion the United States loaned to the allied and associated nations vast sums of money—money so vitally needed that without it these nations would have been unable to continue their prosecution of the war. These loans in the aggregate exceeded the sum of \$21,000,000,000—a sum so vast as almost to pass the comprehension of the human mind.

These sums the United States did not have on hand in the Treasury as surplus but were borrowed from the people of the United States upon the solemn obligations of our Government.

These loans must be repaid, dollar for dollar, punctually upon the date due according to the tenor of the obligation. And since the United States has no means of revenue except from the taxation of our own citizens and of property within the United States, it follows that except as these loans to foreign nations are repaid by the debtor nations the whole tremendous burden of the loans must be shouldered by the taxpayers of this country. A very large portion of the burden of taxation under which the Nation has been struggling is due directly to this cause.

We may assume that the debts were contracted by the Allies in good faith. Certainly their need was great at the time the debts were contracted. Yet soon after the conclusion of the war the contentions began to appear upon the part of the debtor nations that it was unfair for us to insist upon payment according to the strict terms of the obligations. With a liberality unparalleled in the entire history of the world the United States agreed to a general scaling down of the debts, settling on terms varying from 80 cents on the dollar in the case of Great Britain down to 20 cents on the dollar in the case of Italy, and extending the time for payment to 68 years at the lowest possible rates of interest. We thus gave them \$11,000,000,000 outright.

In the meantime, at Versailles a prostrate and vanquished Germany had been forced—justly as the Allies believed, unjustly as the Germans have passionately maintained—to assume a large part of the payment of the war in the shape of reparations. While the repayment of our loans to the Allies was in no wise conditioned upon the payment to them of reparations from Germany, a curious contention has grown up on their part that their obligations to us were contingent upon and limited by Germany's payments to them.

Since the end of the war an insistent propaganda, largely financed by certain international bankers, has been at work in the United States in favor of the cancellation or further reduction of these debts. These international bankers have in the last 15 years underwritten several billions of securities for these same debtor nations at liberal discounts which they have later largely sold to private investors but in which they still retain a considerable interest. Obviously, if the public debt owed the Government of the United States could be canceled, the chance for the collection of these private debts with their generous rates of interest would be measurably enhanced.

As a result of this propaganda in the United States and as a result of the increasing effects of the depression, there has been a steadily increasing demand on the part of the debtor nations that they be released from the undertakings solemnly entertained. We have been dubbed "shylocks" and "skinflints" by the nations which we saved from destruction for insisting upon the payment of obligations twice solemnly assumed and reduced an average of 50 percent through our generosity. The Right Honorable Neville Chamberlain, Chancellor of the British Exchequer, has twice expressed the hope in Parliament that while debt cancellation would doubtless be opposed by the ignorant yokels of the Middle West they would be finally overborne by the intelligentsia of the eastern

seaboard. France, with that aloofness which seems to be characteristic whenever the subject of payment of her debts is under discussion, repeated her conduct of a previous historic occasion and simply refused to pay.

And yet throughout this period these very same nations have been squandering and compelling us to squander billions of dollars in a competition of armaments fully as insane, fully as criminal, fully as useless as that which precipitated the tragedy of 1914.

For 15 years France and her allies of the Little Entente have been brandishing a sword over Europe in a manner fully as truculent and fully as dangerous as any of the gestures of the Kaiser, which preceded the debacle of 1914. Italy, Russia, and Poland have long been under the control of brutal dictators, while the steady refusal of the Allies to carry out their obligations under the Treaty of Versailles to disarm has finally thrown Germany into the hands of the unspeakable Hitler, with his bestial and disgraceful campaign of anti-Semitism and his brutal attempt to stamp out every vestige of liberty and culture in the land. Japan wages at the moment a war of conquest and wanton aggression as unjustifiable as any in the world's history.

Gen. Tasker H. Bliss, American member of the supreme war council, once said that all the causes of the World War could be summed up in one sentence: "Too many men wandering around Europe with guns in their hands." And yet today, nearly 20 years after the outbreak of the war, there are a million more men under arms in Europe than in 1914. The expenditures of the nations for the next war exceeds the bill for armaments of 1913 by hundreds of millions of dollars. Preparation for new and more terrible carnage goes on apace.

In actual expenditure of cash we lead the world in expenditures on armament, for, although on the basis of per-capita armament we have made the smallest preparation for war of any of the leading nations except Germany, we get so much less for our money that our total budgetary expenditures stand highest.

In 1931, the last year for which figures of all nations are now available for comparison, the United States, weltering in depression, with 10,000,000 citizens out of employment, with industry staggering and finance in collapse, nevertheless, spent nearly \$900,000,000 in preparation for the next war. England, faced with a dole system and an unemployment situation so acute as to threaten revolution, was, nevertheless, able to spend well above four hundred millions in arming for battle. Poverty-stricken France, protesting its poverty and its total inability to pay its debts, was able, nevertheless, to squander well above a half billion dollars in getting ready for conflict and to loan further vast sums to its allies for similar purposes. Italy and Japan, with depreciated currencies, both anxious to saddle their own expenditures in the last war upon the backs of the American taxpayers, were each able, nevertheless, to spend well above three hundred millions in military preparation. Even Poland, child of the conflict, existing, so far as its national finances are concerned, largely on the bounty of the United States and France, was able to dig up nearly a hundred million for war purposes.

The scene is again being arranged for war. The powder magazine is ready; the train is laid. At any moment a spark may set off another conflagration more ghastly, more costly, and more deadly than the last. Unless the statesmanship of the world is able to take steps for stopping this insane competition of armaments, this generation or the next will see an enlarged and intensified manifestation of the horrors which still oppress the world. Your boy and my boy may be asked to take their places in the red lane of death. The youth of every nation will again be sent to the shambles. Blood will again be poured out like water, and a bankrupt world will throw its remaining treasure into the devastating maw of war.

The assertion which we constantly hear that the best way to preserve peace is to constantly be prepared for war is in open defiance to the universal experience of mankind. No reasonable man would assert that the best way to preserve peace among individuals would be for each to go constantly armed to the teeth. We all know that the possession of arms by individuals is a constant and certain cause of personal conflict. Mild differences, slight disputes, inconsequential misunderstandings blossom easily into personal encounters when each disputant has ready to his hand a stock of weapons. And nations are but aggregations of individuals.

For the nations of the world to permit a situation to continue in which possibly this generation or almost certainly the next will witness another conflict, possibly involving the obliteration of our civilization, is stupendous and incredible folly. Peace treaties have proven of no avail. Arbitration courts, excellent in themselves, have shown themselves helpless to avert actual conflict. The League of Nations stands futile, helpless, and hopeless in the face of aggression. Disarmament is the only avenue to permanent peace. That way lies the hope of mankind. To achieve that course should be the goal of the statesmanship of the world.

So far as I am concerned, I am opposed to canceling a single penny of the debts owed us by other nations so long as they are squandering huge sums and compelling us to waste vaster sums on competitive armaments. I am opposed to canceling any of the debts unless they make it worth our while to do it. But to bring about disarmament insuring the peace of the world we could well afford to cancel all the debts. Even to put it on the most mercenary basis, and to disregard any higher basis, if we could bring about substantial pro-rata reduction in armaments enabling us to make similar reductions in our military and naval expenditures, it would be worth while for us as a mere matter

of dollars and cents. Therefore, I believe that the United States should use these debts as an economic and diplomatic club to compel pro-rata reduction of armaments.

Upon the economic and disarmament conferences soon to be held depend the safety and progress of the world. Let us hope that there may be enough of enlightened public sentiment in all the nations to drive the statesmen and rulers of the world toward those reforms for which civilization is groping. God grant that we or our children may yet see that bright day of which the poet sings: "When the war drum throbs no longer and the battle flags are furled."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 1581) to amend the act approved July 3, 1930 (46 Stat. 1005), authorizing commissioners or members of international tribunals to administer oaths, etc.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. MCADOO. Mr. President, I send to the desk and ask to have read a letter relating to the case of a veteran in California.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read as requested.

The Chief Clerk read as follows:

HOLLYWOOD, CALIF., May 26, 1933.

Mr. J. F. T. O'CONNOR,

Comptroller of the Currency, Washington, D.C.

DEAR SIR: With the approval and consent of his excellency, the Most Reverend John J. Cantwell, Bishop of Los Angeles, I am writing this letter to you in the interest of a very good member of this parish. His name is John G. Carlisle. He is a grandson and namesake of the late Hon. John G. Carlisle, Speaker of the House of Representatives in the Forty-eighth, Forty-ninth, and Fiftieth Congresses, Senator from Kentucky from 1890 to 1893, and Secretary of the Treasury in the Cabinet of President Cleveland. During the World War he served as divisional liaison officer for the Eighty-second Division to the Forty-second Division, and was seriously wounded at the front by bursting of an enemy high-explosive shell. He is now, as a result, an invalid unable to engage in any lucrative occupation. For some years he has been granted compensation for his disability by the Government; but in April of this year he received a letter from the Veterans' Administration, without date or signature, removing him from the retired list. This action has been a great blow to him, as his retirement pay has been his only source of income and the only means of supporting himself and family. I feel sure that it is not the intention of President Roosevelt, in his policy of retrenchment, to permit such an action in the case of one who is so deserving.

I am aware of the fact that many similar appeals will be made to the Veterans' Bureau; but I am asking you, on the suggestion of his excellency the Bishop, to draw this particular case to the attention of the Honorable WILLIAM GIBBS MCADOO, Senator from California, in the hope that through your kind offices Mr. McAdoo may have an interest in this case.

Mr. Carlisle is addressing himself directly to Mr. McAdoo, supplying him with all the details of his service and disability. I consider Mr. Carlisle very deserving, and his excellency the Bishop and myself would personally consider it a favor if you saw fit to interest yourself to the degree of cooperating with Mr. McAdoo in Mr. Carlisle's behalf.

Yours very sincerely,

CORNELIUS J. MCCOY, S.J., Pastor.

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD a paragraph appearing in an article recently published in the magazine Plain Talk. The article is entitled "Veterans Take a Licking."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From Plain Talk, May 1933]

I quote from the CONGRESSIONAL RECORD of February 9, 1917:

"In March 1915 the J. P. Morgan interests, the steel, shipbuilding, and powder interests, and their subsidiary organizations, got together 12 men high up in the newspaper world and employed them to select the most influential newspapers in the United States and sufficient number of them to control, generally, the policy of the daily press of the United States.

"These 12 men worked the problem out by selecting 179 newspapers, and then began an elimination process, to retain only those necessary for the purpose of controlling the general policy of the daily press throughout the country. They found it was only necessary to purchase the control of the greatest papers.

"The 25 papers were agreed upon; emissaries were sent to purchase the policy—national and international policy—of those papers; an agreement was reached; the policy of the papers was bought, to be paid for by the month; an editor was appointed for each paper to properly supervise and edit information regarding the questions of preparedness, militarism, financial policies, and other things of national and international nature considered vital to the interests of the purchasers.

"This contract is in existence at the present time (1917), and it accounts for the news columns of the daily press of the country being filled with all sorts of preparedness arguments and misrepresentations as to the present condition of the United States Army and Navy and the possibility of the United States being attacked by foreign foes.

"This policy also included the suppression of everything in opposition to the wishes of the interests served. The effectiveness of this scheme has been conclusively demonstrated by the character of stuff carried in the daily press throughout the country since March 1915.

"They have resorted to everything necessary to commercialize public sentiment and to sandbag the National Congress into making extravagant, wasteful appropriations for the Army and Navy under the false pretense that it was necessary. Their stock argument is that it is 'patriotism.' They are playing on every prejudice and passion of the American people."

Mr. SHIPSTEAD. Mr. President, I have here a statement sent me by Amputation Post, No. 1539, of the Veterans of Foreign Wars, of Minneapolis, Minn. This memorandum statement shows the reductions in compensation to service-connected wounded soldiers of the last war. I ask that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1. Gunshot wound left arm, left thigh, right lower leg, sciatic neuritis left due to gunshot wound, previously rated permanent partial 40 percent or \$40 per month, under Public, No. 2, Seventy-third Congress, permanent partial 25 percent or \$20 per month.
2. Gunshot wound chest wall with adhesions and foreign body, previously rated permanent partial 35 percent or \$35 per month, under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
3. Gunshot wound right quadriceps, gunshot wound left calf, moderately severe, psychoneurosis hysteria held as secondary to gunshot wound, previously rated permanent partial 56 percent or \$56 per month, under Public, No. 2, Seventy-third Congress, service connection for psychoneurosis hysteria was severed and gunshot wound rated as 25 percent or \$20 per month.
4. Gunshot wound through and through left chest with fibrosis of lung, bronchitis and pleurisy held as due to gunshot wound previously rated permanent partial 34 percent or \$34 per month, under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
5. Gunshot wound right leg with 1½ inch shortening of the leg (dementia praecox not due to service), previously rated permanent partial 30 percent or \$30 per month, under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
6. Gunshot wound left arm previously rated permanent partial 20 percent or \$20 per month, under Public, No. 2, Seventy-third Congress, rated less than 10 percent (0 percent).
7. Gunshot wound right wrist and hand, impaired function of hand and retained foreign bodies, amputation third finger right hand, paralysis almost total right ulnar nerve due to gunshot wound, previously rated 41 percent or \$41 per month, under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.
8. Amputation right arm upper third, gunshot wound left shoulder, previously rated permanent partial 90 percent plus the statutory award of \$25 total rate of pay \$115 per month, under Public, No. 2, Seventy-third Congress, rated 75 percent or \$60 plus the statutory award of \$20, rate of pay \$80 per month.
9. Gunshot wound right thigh, moderately severe, previously rated permanent partial 17 percent or \$17 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
10. Gunshot wound right hand, previously rated permanent partial 36 percent or \$36 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.
11. Gunshot wound, previously rated permanent partial 26 percent; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
12. Gunshot wound, previously rated permanent partial 20 percent or \$20 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
13. Gunshot wound through and through right foot with atrophy of disuse right calf, previously rated permanent partial 17 percent or \$17 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.
14. Gunshot wound right upper arm, gunshot wound through and through right thigh, arthritis right knee and neuritis traumatic, previously rated permanent partial 33 percent or \$33 per month; under Public, No. 2, Seventy-third Congress, permanent partial 10 percent or \$8 per month.
15. Amputation right thigh with neuroma large painful right stump, second degree, pes planus left foot, anxiety neurosis secondary to gunshot wound, previously rated permanent total plus the statutory award of \$25, total rate of pay per month \$125; under Public, No. 2, Seventy-third Congress, rated permanent par-

tial 50 percent or \$40 plus the statutory award of \$20, total rate of pay \$60 per month.

16. Gunshot wound, previously rated permanent partial 28 percent or \$28 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.

17. Gunshot wound left thigh and right wrist, with sciatic neuritis, previously rated permanent partial 15 percent or \$15 per month; under Public, No. 2, Seventy-third Congress, less than 10 percent (0 percent).

18. Gunshot wound right forearm, previously rated permanent partial 21 percent or \$21 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

19. Healed fracture left tibia with angulation and shortening, mild atrophy left leg, previously rated permanent partial 22 percent or \$22 per month; under Public, No. 2, Seventy-third Congress, less than 10 percent (0 percent).

20. Healed multiple gunshot wound and operative scars left face and left mastoid, deafness due to gunshot wound, paralysis left facial nerve, partial ankylosis of the jaw, and neurasthenia. Also gunshot wound right thigh, previously rated permanent partial 54 percent or \$54 per month; under Public, No. 2, Seventy-third Congress, rated 25 percent or \$20 per month.

21. Multiple gunshot wound lumbar region, multiple gunshot wound both arms, moderate irritation of left ulnar nerve, previously rated permanent partial 20 percent or \$20 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.

22. Gunshot wound with amputation right index finger, previously rated permanent partial 20 percent or \$20 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

23. Gunshot wound right forearm through and through, herniation of muscle underlying scar, previously rated permanent partial 12 percent or \$12 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

24. Gunshot wound left wrist with ankylosis, deformity and ankylosis of second, third, fourth, and fifth fingers left, foreign body left thumb, previously rated permanent partial 48 percent or \$48 per month; under Public, No. 2, Seventy-third Congress, permanent partial 25 percent or \$20 per month.

25. Gunshot wound left elbow, partial paralysis ulnar nerve; arthritis secondary to gunshot wounds, previously rated permanent partial 83 percent or \$83 per month; under Public, No. 2, Seventy-third Congress, 50 percent or \$40 per month.

26. Gunshot wound right tibia with compound fracture, both bones lower leg, previously rated permanent partial 17 percent or \$17 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

27. Gunshot wound left leg and back, previously rated permanent partial 25 percent or \$25 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

28. Gunshot wound scars right arm, compound comminuted fracture right humerus, previously rated permanent partial 22 percent or \$22 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

29. Healed tender shrapnel scar, lower right back, previously rated 25 percent or \$25 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

30. Gunshot wound right arm, with moderate injury to biceps muscle, gunshot wound right forearm, moderately severe injury with ulnar nerve, paralysis partial, gunshot wound chest, with injury to dorsal muscle, previously rated permanent partial, 27 percent, or \$27 per month, under Public, No. 2, Seventy-third Congress, 25 percent, or \$20 per month.

31. Gunshot wound right thigh, right knee through and through; left leg through and through, with fracture upper part of left fibula, previously rated permanent partial, 15 percent, or \$15 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

32. Gunshot wound back, moderately severe, with muscle hernia, injury to tenth or eleventh spinal nerve divisions, dorsal tenth and eleventh right, previously rated permanent partial, 34 percent, or \$34 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

33. Gunshot wound right buttocks, left thigh, previously rated permanent partial, 28 percent, or \$28 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

34. Amputation right leg, middle third; gunshot wound right forearm and left thigh; neuroma of the stump, previously rated permanent partial, 55 percent, or \$55 plus additional \$25, monthly rate of pay \$80, under Public, No. 2, Seventy-third Congress, permanent partial, 25 percent, or \$20 plus \$20, total rate of pay per month \$40.

35. Gunshot wound right knee with traumatic arthritis, previously rated permanent partial, 20 percent, or \$20 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

36. Gunshot wound of left forearm with partial paralysis of left median nerve, previously rated 19 percent, or \$19 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

37. Gunshot wound left thigh with partial paralysis of anterior crural nerve, previously rated permanent partial, 25 percent, or \$25 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

38. Gunshot wound neck and left arm, partial paralysis ulnar nerve, previously rated 22 percent, or \$22 per month, under Public, No. 2, Seventy-third Congress, 10 percent, or \$8 per month.

39. Amputation right thigh, middle third with neuroma right thigh, traumatic neurosis, previously rated 81 percent, \$81 plus \$25 statutory award, monthly rate of pay per month \$106, under Public, No. 2, Seventy-third Congress, 50 percent, \$40 plus \$20 statutory award, monthly rate of pay \$60.

40. Gunshot wound left hand, amputation second finger left hand with ankylosis of third finger left hand, previously rated 31 percent or \$31 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

41. Gunshot wounds left chest, left arm, right leg with muscle hernia, previously rated 51 percent or \$51 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.

42. Gunshot wound through and through left arm, fracture head of humerus through and through, injury to deltoid with chronic traumatic arthritis left shoulder, previously rated 25 percent or \$25 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

43. Gunshot wound and postoperative, right knee with synovitis and traumatic bursitis and arthritis, previously rated 50 percent or \$40 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.

44. Multiple gunshot wound right chest, right neck, right shoulder and back with loss of muscle substance, previously rated permanent partial 25 percent or \$25 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

45. Gunshot wound left shoulder and back, previously rated permanent partial 30 percent or \$30 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

46. Gunshot wound right thigh with nerve injury and partial atrophy, previously rated 34 percent or \$34 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

47. Through and through gunshot wound left elbow with fracture, ankylosis of left elbow, previously rated 24 percent or \$24 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

48. Gunshot wound left hand, right thigh, previously rated permanent partial 28 percent or \$28 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

49. Gunshot wound right thigh, right buttock and left thigh, previously rated 40 percent or \$40 per month; under Public, No. 2, Seventy-third Congress, 25 percent or \$20 per month.

50. Gunshot wound right thigh and right arm, previously rated permanent partial 20 percent or \$20 per month; under Public, No. 2, Seventy-third Congress, 10 percent or \$8 per month.

Mr. ROBINSON of Indiana. Mr. President, I have just received a telegram from Col. Erskine B. Bassett, formerly colonel in the American Expeditionary Forces, Hopkingsville, Ky., reading as follows:

Howard Peacher, veteran, injured overseas, died here today, having been cruelly denied both hospitalization and compensation to save the credit of the United States.

What a hollow sound that phrase has today, "to maintain the credit of the United States", as if any nation could ever have any credit or any moral fiber that turned its back on its own defenders. A nation that will not deal generously with those who have shed their blood in its defense does not deserve to be defended. In order to do this terrific injustice to the defenders of the Nation the President of the United States sent that infamous measure here to us labeled "A bill to maintain the credit of the United States." It was of course misrepresentation of the worst hue. It was trickery and nothing less than that, because it had a sound with its weazle words that might somehow or other be attractive to the American people. Everybody knows now that it was deceit, pure and simple.

Mr. President, I have a letter from Mr. Roy E. Layton, a Spanish War veteran of Ohio. This discloses that in connection with the administration of the Economy Act, so called, a letter was sent to a lady out in St. Marys, Ohio, who has been deceased for 10 years, informing her that the Veterans' Administration have reviewed her pension claim and have allowed her \$20 a month, the pension having been originally allowed on the death of her son who was killed in action. The letter reads as follows:

WAPAKONETA, OHIO, May 29, 1933.

HON. ARTHUR R. ROBINSON,
United States Senator from Indiana,
Washington, D.C.

DEAR SENATOR: Enclosed find an exact copy of a letter from the Veterans' Administration dated June 1, 1933, and addressed to Mrs. Jonathan Stonerock, 501 Pine Street, St. Marys, Ohio, stating that her claim has been carefully reviewed and that she has been awarded a pension in the amount of \$20 monthly on account of the death of the veteran during war-time service.

Mrs. Jonathan Stonerock has been dead for nearly 10 years, viz, she died on August 28, 1923. At the time of her death she was receiving a monthly pension or compensation on account of the

death of her son during the World War and now she is again notified that she is entitled to a pension at reduced rates.

This seems to be a sample of the efficiency of the Veterans' Administration and hasty work based upon "careful review." Many veterans around here who served in the Philippine insurrection, and who were dangerously ill or seriously injured have received notice that their pensions have been entirely cut off before their affidavits could have possibly been reviewed and checked up. It looks as if someone in the Bureau of Pensions has made up their mind to cut them all off of the pension rolls, regardless of evidence that has been or may be submitted. In other words, there is no presumption whatever in their favor. If there are any veterans of the Spanish-American War who should receive a pension, they are those who served in the Philippine insurrection, in particular in the United States army of volunteers who underwent greater hardships and greater sufferings, and who contracted more serious diseases, and who were engaged in much actual warfare, whether you call them engagements or not, than any others perhaps who served in that war. I am not speaking for myself, as I was not one of them.

Thanking you for your efforts in behalf of the veterans, I remain,

Very truly yours,

ROY E. LAYTON,
Adjutant Wapakoneta Camp, No. 22, U.S.W.V.

Mr. President, there is enclosed with this letter to me a copy of a letter sent out over the signature of George E. Brown, director of compensation, to Mrs. Jonathan Stonerock. I shall not read the letter, but I ask to have it inserted in the RECORD at this point. I merely want to mention that the letter was received several days ago out in St. Marys, Ohio, by someone. It was addressed to a lady who has been dead for nearly 10 years. The letter is dated June 1. That is today. I received yesterday the original letter enclosing this copy of the letter from the Veterans' Administration. It must have been sent out from Washington a week ago, showing that the Veterans' Administration cannot wait for the date, June 1, does not wait for any evidence, but sends out a letter dated ahead of time to the mother of a deceased veteran, who herself has been deceased for the past 10 years. That is the way the Veterans' Administration is being handled under 1-man rule. One of the arguments advanced was that it would make for efficiency to place the Veterans' Administration in the hands of the President so as to improve efficiency of administration. Here is an example of their efficiency. They do not know who is alive and who is dead. I ask that the letter be inserted in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

VETERANS' ADMINISTRATION,
Washington, June 1, 1933.

Mrs. JONATHAN STONEROCK,
501 Pine Street, St. Marys, Ohio.

DEAR MADAM: A review of all claims in which payments of benefits were being made on March 20, 1933, was undertaken for the purpose of determining entitlement to benefits provided by Public, No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government."

Your claim has been carefully reviewed in accordance with the provisions of the above-entitled act, and on the evidence of record in your case it has been determined that you are entitled to, and there is being approved in your favor, effective July 1, 1933, an award of pension in the amount of \$20 monthly, on account of the death of the veteran during war-time service.

Regulations promulgated pursuant to the provisions of Public, No. 2, Seventy-third Congress, provide that, except as to degree of disability, an application for review on appeal may be filed within 6 months from the date of this notice, or July 1, 1933, whichever is the later date. In the event you contemplate filing such an application, it is suggested that it be deferred until after July 1, 1933, when the condition of the work incident to the review of claims will permit of expedited action on applications of this character.

By direction.

GEORGE E. BROWN,
Director of Compensation.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. ROBINSON of Indiana. I yield.

Mr. ROBINSON of Arkansas. Does the Senator mean to imply by his last statement that the mistake to which he has referred is chargeable to the President or to the fact

that the President was given extraordinary authority? Does not the Senator know that the error occurred in the course of the administration of the Bureau, was an error committed by subordinates, and that in the very nature of things the President of the United States is not responsible for it? Does the Senator think it is a fair argument to present to this body or to anyone else, in criticism of the President, to say that someone in the Veterans' Administration wrote a letter to someone who has been dead quite a long time?

Mr. ROBINSON of Indiana. I am not saying who is to blame. I do not know.

Mr. ROBINSON of Arkansas. But the Senator did say who is to blame in his opinion.

Mr. ROBINSON of Indiana. I do blame the President for sending that bill here. It should never have been done. If it had not been for the so-called "economy bill"—

Mr. ROBINSON of Arkansas. It is not a question of sending the bill here. The complaint the Senator from Indiana is making is with reference to an error in the transmission of a letter to a person who has been deceased for 10 years. That is such a mistake as is not attributable to any act or power of the President nor could the President have taken precaution to prevent such a mistake.

Mr. ROBINSON of Indiana. No, Mr. President; but I suggest in all good humor to my very good friend from Arkansas—

Mr. ROBINSON of Arkansas. I am happy to learn that the Senator is in a good humor. I am, too! [Laughter.]

Mr. ROBINSON of Indiana. I never can remain in a very good humor when I think about this so-called "Economy Act." I suggest to my friend from Arkansas that this has to do with reductions under the President's order and in accordance with regulations which directly flow out of the so-called "Economy Act." This would not have occurred had it not been for the so-called "Economy Act", for which I suppose the President is glad to take the responsibility. I certainly should not myself; but if he does take the responsibility for initiating that legislation, then I am correct in saying that this is a direct byproduct of that legislation and he is responsible.

Mr. ROBINSON of Arkansas. Then, according to the Senator's statement, he is to blame for every error made by one of thousands of clerks in a department.

Mr. ROBINSON of Indiana. O, Mr. President, I suppose finally someone must take responsibility for those errors, and I imagine it is the head of the department, and over him the Chief Executive, in whom is vested complete power.

Mr. ROBINSON of Arkansas. I merely interrupted the Senator to ascertain if that was his viewpoint. The Senator has made clear to me what his opinion about the matter is; and I thank him for yielding.

AMBASSADOR TO ENGLAND—FOREIGN DEBTS

Mr. ROBINSON of Indiana. Mr. President, my own opinion is—and I think time will vindicate this judgment—that the President of the United States never can escape responsibility for the injustices that have come about as a result of the so-called "Economy Act."

Mr. President, while I am on my feet I desire to advert to another matter with reference to our new envoy in London, the Honorable Robert W. Bingham.

When the nomination of Mr. Bingham was sent to the Senate to be Ambassador to the Court of St. James's, information was placed in the hands of the Committee on Foreign Relations which indicated that Judge Bingham, during a temporary residence in England, had made statements derogatory to the United States. It was charged that Judge Bingham, while over there, in the course of a public address, had said that the failure of the Geneva Conference in 1927 was entirely due to the representatives of the United States. It was intimated that somehow or other their stupidity had resulted in the failure of that conference. It was suggested that they had not had a proper appreciation of

the needs of Great Britain. His speech was derogatory to his own people. That is the point.

Some of us were alarmed about those charges, especially with the war debts coming on for settlement, and the problem of disarmament appearing before the world; and it seemed that it might not be wise to send over there to represent this country one who was more favorable to Great Britain than he was to the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. In just a second I will yield.

So I took the responsibility of delaying final action by the committee for a period of some days until those charges could be investigated. As a result of the investigation that was made the Chairman of the Foreign Relations Committee, the distinguished Senator from Nevada [Mr. PITTMAN], assured the committee that Mr. Bingham himself had denied ever having made such statements or any such speech. On the strength of that denial, I think, the committee was reassured and voted for his confirmation, and he was subsequently confirmed by the Senate.

Now, Mr. President, it develops that evidently there must have been something in what was said before, because this new envoy, Mr. Bingham, scarcely gets to London until he makes another speech, this time undertaking to overturn the traditional policy of the United States against foreign entanglements which has existed since the days of the first President, General Washington.

I now yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I did not want to interrupt the Senator, nor did I want to take issue with him; but the question of war debts was mentioned in his remarks. As one who would like to see his own country get as much of the debts as it is possible to get, I am wondering how the debts can actually be paid in full in view of the fact that Great Britain has only \$714,000,000 in gold monetary stocks, and she owes us nearly \$4,000,000,000, and we will not let her pay in goods. I should be grateful if the Senator could show us how payment can be made.

Mr. ROBINSON of Indiana. Mr. President, I do not care to be diverted into a discussion of that subject at this time.

Mr. McCARRAN. Mr. President—

Mr. ROBINSON of Indiana. But as long as it has been raised, I will suggest to the Senator from Maryland—I have no desire not to discuss it—that in my judgment it could be paid easily. The installment amounts to an average of something under \$200,000,000 a year.

Mr. TYDINGS. About \$183,000,000 a year.

Mr. ROBINSON of Indiana. Something less than \$200,000,000 a year; and Great Britain has, or had a month or two ago, the biggest supply of gold in all her history. She has paid her debts before, presumably, and I think she could pay these installments without a bit of difficulty. I think I could convince the Senator from Maryland that she could pay the debt, and pay in gold, for that matter, without any difficulty whatever, since apparently she has had great good fortune in garnering together in the last year more gold than she ever had before in all her history. But, as I say, I do not care to go into that matter at this time.

Mr. TYDINGS. I did not want to interrupt the Senator, but my reason for making that interrogatory was that when Judge Bingham's remarks are read in full, I think it will be found that all he was attempting to do in that speech was to be candid; and I believe that an ambassador who is candid is the best ambassador we can have.

Mr. ROBINSON of Indiana. The Senator, of course, is entitled to his opinion, and he will permit me to hold mine.

Mr. McCARRAN. Mr. President—

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ROBINSON of Indiana. I do.

Mr. McCARRAN. I only wish to inquire of the Senator from Maryland, first, if his inquiry propounded to the Sen-

ator from Indiana is an opening wedge by which and from which we are to conclude that the administration favors the cancelation of foreign debts? Secondly, I desire to inquire if it is not true that England actually received this money from the people of this country; and why should they not pay it back?

Mr. TYDINGS. Of course, I have no authority to take the time of the Senator from Indiana, and I shall not do so. I did not say that we should cancel the debts; neither did I speak for the administration; but I shall be grateful to any genius upon this or any other floor who will show me how we can collect \$4,000,000,000 of debts from a country that has only \$700,000,000 of gold.

Mr. ROBINSON of Indiana. Mr. President, let me suggest right there that up to date Great Britain has paid her installments when she had, if I remember the figures rightly, no more than \$60,000,000 in gold after her installment was paid. If she could pay then, certainly she can pay with a gold stock of \$800,000,000.

Mr. TYDINGS. Let me say to the Senator that he is in error. I shall not interrupt him again, but I should like to clear up his mind of one fact.

There is only eleven and one half billion dollars of gold in all the world.

We have four billions of that. That leaves seven and a half billions. The war debts amount to ten and one half billions of dollars. If we can only get \$7,000,000,000, if we get all the gold in the world outside of the United States, how can our debtors pay ten and one half billion dollars of war debts?

Mr. ROBINSON of Indiana. The answer is perfectly obvious, and the answer lies in the truth of this statement—that up to date Great Britain has had no trouble in paying her installments with a tremendously lower gold stock than she has at present. So, if she could pay her honest indebtedness with a lesser supply of gold, why can she not pay her installment with two or three times as much gold as she ever had before?

Mr. TYDINGS. Will the Senator let me answer his question?

Mr. ROBINSON of Indiana. I do not wish to yield any further on that subject. I want to proceed with this discussion. That may or may not have much to do with Mr. Bingham.

Mr. McCARRAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ROBINSON of Indiana. Yes; I yield.

Mr. McCARRAN. I should like to inquire of both the Senator from Maryland and the Senator from Indiana if Great Britain had any particular trouble in borrowing that money from the United States and taking it out of the taxpayers of this country when she borrowed it.

Mr. ROBINSON of Indiana. That is true.

Mr. President, I should like to mention at this time, too, that when one Mr. Bullitt was running around over Europe from one chancellery to the next, from one country to another, no one in the Senate seemed to know who he was, and yet information was emanating from the points of contact he had made over there that he favored, and was speaking for President Roosevelt—then the President-elect—a reduction of the debt on a basis of 1 to 10, one tenth of the total amount to be finally paid. Then it was denied that he had anything whatever to do with President Roosevelt.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. However, it developed since that scarcely had the incoming President been inaugurated when this same mysterious Mr. Bullitt was placed in a responsible post in the State Department, apparently with no definite duties assigned him; and now, to the amazement of some of us, this same man, who was running over Europe apparently without any credentials just 3 months or 4 months ago, now becomes the executive officer of the American delegation to the Economic Conference in London. So

evidently Mr. Bullitt knew what he was doing back there in those days, and some of us who raised the question find now that perhaps our suspicions have been shown by recent developments to have been very well grounded.

I now yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, with the courtesy of the Senator from Indiana, I merely desire to say that I do not believe there is any justification for the statement or the implication in the statement of the Senator from Indiana that the President favors the cancelation of the debts, or favors a settlement of them on the basis of one tenth of the amount due, or anything like that.

The President, necessarily, in the conduct of foreign relations, realizes the difficulties that are to be met in collecting the debts; but there is every indication that he is abiding by and carrying out, insofar as it can be done, the joint resolution of the Congress upon this subject.

I think the Senator from Indiana would accomplish a helpful end if he would recognize that fact. I do not believe it can be beneficial to the cause of the Government of the United States to assert on the floor of the Senate, in contravention of what I understand to be the facts, that the President favors any such arrangement as that to which the Senator has referred. I think it will embarrass him in his efforts to collect the debts, or in his efforts to carry on negotiations respecting resumption of payments.

Mr. ROBINSON of Indiana. Mr. President, I am glad to have the Senator's assurance that in his opinion the President does not favor cancelation or reduction of the debts. Of course the Senator will agree that many of the rumors and many of the reports that emanate from Europe are somewhat disconcerting, to say the least.

Mr. ROBINSON of Arkansas. Mr. President, with the Senator's permission—

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. ROBINSON of Arkansas. I should like to say that there is no intention on my part to try to define what will be the policy of the administration respecting debts should an impasse be reached relating to the collection of the debts. I have no authority to do that, and do not assume to say what recommendation, if any, the President will make. I do know, as a matter of fact, that the President has not sought to compromise the matter; that he has not disregarded the existing law on the subject.

Mr. ROBINSON of Indiana. Mr. President, yesterday there appeared in the Washington Herald an article, a Universal Service special cable, by Thomas C. Watson, under this caption:

United States Isolation Ended, Bingham Tells Britain. Envoy Admits Idea of Founders Is Abandoned.

I want to quote just 2 or 3 sentences from the speech Ambassador Bingham is reported to have made over there, with the Prince of Wales beside him to cheer him on.

Ambassador Bingham said of the President:

"With the full support of the overwhelming majority of people whose leader he is, he has laid down what all other nations may rely upon implicitly so far as all our foreign relations are concerned."

Referring to United States Ambassador Norman H. Davis' statement at Geneva as meaning the United States reversal of a traditional policy of freedom from European entanglements, Ambassador Bingham declared:

"That marked the definite departure from certain principles maintained by the United States since the Nation was founded."

"It is a great step forward toward the maintenance of the peace of the world. It does contain certain reservations, but a similar reservation is retained by the British Government in the Locarno Treaty."

Then Ambassador Bingham proceeded as follows:

From my standpoint, I do not believe there is a 10-year-old child of average intelligence anywhere in the world who could fall in the event of war to select instantly the aggressor.

Mr. President, it is amazing that the American Ambassador could make such a statement as that—if he is correctly quoted—because historians today are undecided as to who was the aggressor in the World War, and for the past 15 years the question of war guilt has been raging and nobody presumes to know who was the aggressor. Yet, Mr. Bing-

ham undertakes to say that we have overturned our traditional policy, that we are now going to enter a consultative pact to define and determine the aggressor, and that means, according to Norman H. Davis, the roaming Ambassador abroad, that it will be necessary for us to agree with the European nations to uphold artificial boundaries there, the status quo as it came out of the infamous treaty which was the product of the Versailles Conference, a treaty which we refused to ratify. We preferred to make a separate peace with the Central Powers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield.

Mr. LONG. Was the speech about which the Senator is complaining an after-dinner speech of the new Ambassador, Mr. Bingham? It was an after-dinner speech, was it not?

Mr. ROBINSON of Indiana. This was a dinner speech from which I am quoting—a speech delivered yesterday.

Mr. LONG. Of Mr. Bingham?

Mr. ROBINSON of Indiana. I will read this to the Senate:

Ambassador Bingham, addressing the Pilgrims Society at a Memorial Day dinner in his honor attended by the Prince of Wales, Foreign Secretary Sir John Simon, War Secretary Lord Hailsham, and a host of other officials and diplomats, stressed "the changed attitude on several subjects of the people of the United States."

I send the article to the desk at this point and ask that it may be incorporated in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, May 31, 1933]

UNITED STATES ISOLATION ENDED, BINGHAM TELLS BRITAIN—ENVOY ADMITS IDEA OF FOUNDERS IS ABANDONED

By Thomas C. Watson

LONDON, May 30.—The foreign policy of the Roosevelt administration, as exemplified by America's expressions at Geneva of willingness to join a "consultative pact", marks America's abandonment of certain policies laid down by the Nation's founders, United States Ambassador Robert W. Bingham said tonight.

Ambassador Bingham, addressing the Pilgrims Society at a Memorial Day dinner in his honor attended by the Prince of Wales, Foreign Secretary Sir John Simon, War Secretary Lord Hailsham, and a host of other officials and diplomats, stressed "the changed attitude on several subjects of the people of the United States."

ADMITS UNITED STATES REVERSAL

Reiterating the "good neighbor" policy expressed by President Roosevelt in his inaugural address, Ambassador Bingham said of the President:

"With the full support of the overwhelming majority of people whose leader he is, he has laid down what all other nations may rely upon implicitly as far as all our foreign relations are concerned."

Referring to United States Ambassador Norman H. Davis' statements at Geneva as meaning the United States reversal of a traditional policy of freedom from European entanglements, Ambassador Bingham declared:

"That marked the definite departure from certain principles maintained by the United States since the Nation was founded."

"It is a great step forward toward maintenance of the peace of the world. It does contain certain reservations, but a similar reservation is retained by the British Government in the Locarno Treaty."

CITES CONGRESS ACTION

Remarking upon hesitancy of the Geneva Disarmament Conference in fixing a definition for an aggressor nation and President Roosevelt's "definition" as the nation whose troops are found in foreign countries in violation of treaties, Ambassador Bingham said:

"From my standpoint, I do not believe there is a 10-year-old child of average intelligence anywhere in the world who could fall in the event of war to select instantly the aggressor."

Commenting upon Europe's view that the President is not empowered to commit the United States to any policy without congressional assent, Ambassador Bingham said:

"It is necessary to realize that President Roosevelt has loyal and enthusiastic support in Congress and among the people to a degree unequaled in our history since George Washington."

"NO TIME FOR TRADING

"This is no time for mere trading and bargaining. There is no time for any thought except what shall we do to be saved."

"I believe that hope for this stricken world rests largely upon understanding, cooperation, and confidence among the English-speaking peoples."

Ambassador Bingham cited the "incredible" recovery of America economically since March 4. His speech was the first he has made in public since arriving. The dinner was held in the grand hall of the Hotel Victoria. Among the 300 guests were many prominent Mayfair hostesses.

Before the dinner Mrs. Bingham and Chargé d'Affaires Ray Atherton placed a wreath on the statue of Abraham Lincoln in Parliament Square. American legionnaires took part in Memorial Day ceremonies by placing a wreath on the Cenotaph, Britain's war memorial.

Mr. LONG. Mr. President, does not the Senator think that in gaging the value to be given to this dinner speech we ought to find out at what point of the dinner it was given, also the menu and what other things were served?

Mr. ROBINSON of Indiana. That might be an important thing to ascertain.

Mr. LONG. With the Prince of Wales sitting there at his side.

Mr. ROBINSON of Indiana. And Sir John Simon.

Mr. LONG. And Sir John Simon—leaving this country and going over to a country where they never heard of Volstead, having a nice banquet, probably going out to Buckingham Palace late in the evening. We cannot tell what a man is likely to say under those circumstances. [Laughter.]

Mr. ROBINSON of Indiana. Mr. President, it is my judgment that the policy laid down by the first President of the United States, George Washington, admonishing against entangling foreign alliances, will continue to be the policy of this country long years after Ambassador Bingham is dead and gone. The point is that it does not help our international relations any to have an Ambassador talking wildly over there, as if he could overturn these policies, which are as old as the country, by mere words. Therefore he ought to be recalled and brought back to the United States, where at least people will not pay so much attention to what he says.

Mr. President, I want to refer again to Mr. Norman H. Davis. It seems, from the Morgan inquiry, that he is on one preferred list after another.

Not only is he heavily indebted to J. P. Morgan & Co., to the House of Morgan, but Mr. Davis is one of the pets of Morgan, on the preferred list, and therefore he must, if he is overseas negotiating for the United States, pay some attention to the House of Morgan. If he is representing the House of Morgan over there, the quicker he is brought back to this country the better, and I hope that will be at an early date.

Mr. President, before I resume my seat I want to state that the Morgan influence was present at the writing of the peace treaty at Versailles. That developed in a hearing before a Senate committee as a result of testimony of the late Mr. Davison, at that time one of the Morgan partners. Mr. Thomas W. Lamont, another one of the partners, was representing the United States Treasury at Versailles at the time the treaty was written.

I have here a copy of the report of the hearings before the Committee on Foreign Relations, questions asked by the distinguished Senator from Idaho [Mr. BORAH], and the responses of Mr. Davison.

The substance of the examination and of the responses to the questions was simply this, that Mr. Davison felt that it was perfectly proper for Mr. Lamont to furnish the House of Morgan with a copy of the peace treaty before the Senate of the United States had a copy, or before the people of the United States could know the truth, because of the fact, largely, that they were international bankers, and had to deal with many of the governments of the world.

The hand of Morgan is just as thoroughly potent today in the affairs of this Government, apparently, as it was then. We have Mr. Norman H. Davis, one of the pets of the House of Morgan, heavily obligated by loans to that house, representing Mr. Roosevelt abroad, and we have the Secretary of the Treasury, Mr. Woodin, also close to the House of Morgan, running the Treasury of the United States.

I am sure the people of this country would feel far better, and have tremendously greater confidence in the Government of the United States, if both those gentlemen were separated from the public service.

INDEPENDENT OFFICES APPROPRIATION

The Senate resumed the consideration of the bill (H.R. 5389) making appropriations for the Executive Office and

sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. TRAMMELL. Mr. President, I have on the desk an amendment which I have proposed, and I should like to suggest the following modifications, on line 6, after the word "compensation", to insert the words "or the pension"; on line 7, after the word "compensation", to add the words "or pension or may hereafter be granted compensation or pension"; on line 8 to strike out "10" and insert "15"; on line 9, after the words "per centum" to insert the words "below the compensation or pension to which they were entitled on March 20, 1933."

I should be glad to have the Secretary read the amendment, as modified.

The PRESIDING OFFICER. The clerk will read the amendment, as modified.

The legislative clerk read as follows:

On page 61, between lines 6 and 7, add a new section, as follows:

"SEC. 21. That regardless of any provisions embraced in title I, of an act to maintain the credit of the United States Government, being Public, No. 2, Seventy-third Congress, the compensation or the pension of those veterans who on March 20, 1933, were drawing compensation or pension or may hereafter be granted compensation or pension on account of service-connected disability, shall not be reduced more than 15 percent below the compensation or pension to which they were entitled on March 20, 1933. In any review of a veteran's case by the Veterans' Administration with a view to reducing the rating of or change the cause of his disability, the burden of proof shall rest upon the Government."

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Maryland?

Mr. TRAMMELL. I yield.

Mr. TYDINGS. Mr. President, just for the moment I wish to comment upon the international situation as touched upon briefly by the Senator from Indiana.

In my humble judgment, the present depression is worldwide, and, in my humble judgment, one of the chief factors in the depression is the war debt, the unsettled, the evaded, war-debt issue; and until the statesmen and politicians of the various parliaments of the world make up their minds to tell the truth, unpopular though it may be, and to face some of the issues in the equation, the world will remain in a depression, or part of a depression, because a large part of it is due to the war debt.

What are the essential facts? First of all, about ten and a half billion dollars is owed to the Government of the United States by our allies in the last war. There is only eleven and a half billion dollars of gold in the entire world. We already have over four billion of that eleven and a half billion. That leaves seven and a half billion of gold in all the government treasuries of the world outside of our own; and I would be grateful indeed if someone would tell me how seven and a half billion dollars' worth of gold can be used to pay in gold ten and a half billion dollars' worth of debts.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. Is not that about the best reason in the world why there should be an effort to remonetize silver, instead of the attempt being made to keep us on the gold standard?

Mr. TYDINGS. The Senator knows I am in sympathy, in a basic way, if not in method, with what he says. England has about \$750,000,000 in gold and \$250,000,000 in silver. She has monetary stocks of gold and silver together of about a billion dollars, and she owes us \$4,000,000,000 worth of debts. If anybody can show me or show England or show the United States or show the world how a billion dollars' worth of money can pay \$4,000,000,000 worth of debts in money, I would be grateful to have that explanation.

Mr. TRAMMELL. Mr. President, I did not expect to yield for a long debate. If I may have the floor after we get through with this controversy, I will yield further.

Mr. TYDINGS. Mr. President, the Senator will have no difficulty in getting the floor.

Mr. TRAMMELL. I should like to get recognition to talk about a matter of very great importance to the ex-service men of this country.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. McCARRAN. I just want to make this passing observation, that if Ramsay MacDonald were here and making his most powerful argument, it probably would not be more cogent than that which has just been offered by the Senator from Maryland.

Mr. TYDINGS. Mr. President, if the Senator from Nevada will answer the question which I propounded a while ago, he will find that I will go along with him to collect the last dollar, if he will show me how we can collect it; but, Mr. President, we know, if we are going to be honest about this thing and quit "buncoing" the American people, that foreign governments cannot pay ten and a half billion dollars' worth of war debts in gold with \$7,000,000,000 of gold.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. Yes; I yield.

Mr. ROBINSON of Indiana. Let me suggest to the Senator that Great Britain has paid the installments of her debt up to date in gold, and with a tremendously lower stock of gold on hand than at present.

Mr. TYDINGS. I do not agree with the Senator.

Mr. ROBINSON of Indiana. Then, how has she been paying her debt up to date?

Mr. TYDINGS. Let us take the Senator's own argument—

Mr. ROBINSON of Indiana. It is not an argument; I am merely asking a question. The Senator will agree that Great Britain's installments of the debt have been paid in gold?

Mr. TYDINGS. How does the Senator think they have been paid?

Mr. ROBINSON of Indiana. They have been paid in gold.

Mr. TYDINGS. How does the Senator think they have been paid?

Mr. ROBINSON of Indiana. The Senator and I will agree, I think, that so far they have been paid with gold.

Mr. TYDINGS. With ear-marked gold! Why, including all the gold either in England or available to the British Government in her entire monetary system—

Mr. ROBINSON of Indiana. She has now about \$800,000,000 of gold on hand.

Mr. TYDINGS. She has \$750,000,000.

Mr. ROBINSON of Indiana. The report I saw a few days ago—perhaps a month ago—was to the effect that Great Britain then had something like \$800,000,000 in gold stocks, which was the top mark in all the history of Great Britain so far as her gold supply was concerned. If that be true, if she could pay when she was poor and had less gold, how does it happen that she now suddenly cannot pay her installments of the debt, with a larger supply of gold than she has ever had before?

Mr. TYDINGS. The Senator has not answered my question; he is only asking me another one. I want to ask him if Great Britain has \$800,000,000 in gold, where she is going to get the other \$3,000,000,000 in gold with which to pay the United States?

Mr. ROBINSON of Indiana. She will get it from year to year.

Mr. TYDINGS. How?

Mr. ROBINSON of Indiana. It comes about through exchange. We have a money circulation here much greater than our gold supply, though all our currency has been backed by gold.

Mr. TYDINGS. I have asked the Senator the specific question where Great Britain was going to get the other \$3,000,000,000 worth of gold, and he cannot tell me.

Mr. ROBINSON of Indiana. It is in exchange which is constantly taking place.

Mr. TYDINGS. How? Does the Senator mean by Great Britain selling us more goods than we sell to her?

Mr. ROBINSON of Indiana. No, Mr. President; but the gold supply is redistributed year after year.

Mr. TYDINGS. The Senator is wrong.

Mr. ROBINSON of Indiana. The question seems to me to be perfectly primary and elementary. Great Britain is paying us now much less than \$200,000,000 a year, and she has a gold supply of approximately \$800,000,000.

Mr. TYDINGS. I thought the Senator was going to tell me that Great Britain has built up her present supply of gold by selling more to other countries than she has bought from them, but we have sold to Great Britain since 1921 \$6,000,000,000 more of American merchandise than we have bought of British merchandise. Great Britain has paid the present value of her war debt to us twice since 1921, in the payment of her unfavorable balances of trade.

Mr. ROBINSON of Indiana. I rest the case on the proposition that when Great Britain had a very small supply of gold, the lowest supply, perhaps, she had ever had, she still managed to pay her installments to the United States. Now, when her gold supply is greater than it has ever been in all her history, I refuse to believe that somehow or other it will be exhausted to such an extent by paying her honest obligation this year that next year she will not have any left.

Mr. TYDINGS. Without meaning any reflection on the Senator, he puts me in mind of the man who is in debt very heavily and cannot pay his way out, and who says to his creditor, "I am going to pay you", and the creditor asks, "How?" And the debtor says, "I do not know, but somehow or other I am going to pay you."

Mr. McCARRAN. Mr. President—

Mr. TYDINGS. I yield to the Senator from Nevada.

Mr. McCARRAN. There are two ways out, let me say in answer to the Senator's question: By legislation we have afforded Great Britain the opportunity to pay in silver to the extent of 200,000,000 ounces; and, secondly, facetiously, perchance, I might say that Great Britain might pay from the income taxes which she takes from our capitalists, as it has been disclosed she does by recent investigations.

Mr. TYDINGS. I am very glad the Senator from Nevada has brought up the question of the income tax, because it is a notorious fact that income taxes in Great Britain are five times, on many incomes, as high as are income taxes in the United States.

Mr. McCARRAN. The Senator will admit that they collect them over there, but such taxes are dodged here.

Mr. TYDINGS. Yes; but even with the collection of the income taxes the Senator from Nevada cannot show, nor can any other man show, how Great Britain can increase her gold stock from \$800,000,000 to \$3,000,000,000 and more.

Mr. McCARRAN. When we open the gate for them to pay with legitimate money, why do they not pay? By an act passed by the Congress only a few days ago we gave them the avenue to pay. Why now open up the gates by which, undoubtedly, the administration proposes through the commission it has sent abroad to cancel the debts?

Mr. TYDINGS. Does not the Senator from Nevada know that Great Britain has been paying in gold? Why does the Senator assume, therefore, that Great Britain will not continue to pay?

Mr. McCARRAN. Then, why does the Senator from Maryland try to open the avenue by which she will not have to pay?

Mr. TYDINGS. No; I am simply facing the ultimate which we are all going to face in this Chamber in the next 6 years. We are going to face the stark realities on this debt question. We are going some day to tell the American people the truth about it; we are going some day to have to stand up and vote upon it. I, for one, am just as anxious as is anybody else to have the Government of the United States get every dollar it can, but what I am asking is how is the Government going to get the money?

Mr. ROBINSON of Indiana and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Indiana.

Mr. ROBINSON of Indiana. I should like to make just this observation: One would think to hear the Senator talk on the subject that he had an idea that Great Britain had to raise \$4,000,000,000 tomorrow. As a matter of fact, she has 62 years in which to make the total payment, so that it can be made in small installments. Furthermore, Mr. President, the rate of interest she is paying is only $3\frac{1}{2}$ percent, and while Great Britain will be paying nothing on the principal, but just $3\frac{1}{2}$ percent on her indebtedness for a period of 62 years, during all that time the American people will be paying above 4 percent, or an average of 4.7 percent, as I remember, on the Liberty bonds; and if Great Britain will just pay that $3\frac{1}{2}$ -percent interest on her indebtedness that will help us to pay the 4.7-percent interest for a period of 62 years, and her entire obligation will then be discharged. Does not the Senator feel that he ought to say something for the American people who have to pay the interest on the bonds?

Mr. TYDINGS. Oh, Mr. President, without any reflection upon the Senator from Indiana, what he is saying about my saying something for the American people is pure demagoguery. If the Senator can show that Great Britain either now or in the next 62 years can add to her gold stock sufficiently to build up \$4,000,000,000 worth of gold, when there are only seven and a half billion left in all the world outside of the United States, I will be under very great obligations to him.

Mr. ROBINSON of Indiana. I agree with the Senator that for anybody to say a word for the American people is demagoguery.

Mr. TYDINGS. No, I did not say that.

Mr. ROBINSON of Indiana. But if he speaks for the rest of the world or says a word for Great Britain and helps Great Britain "get by" without paying a portion of the interest which the American people must pay, any way, on their enormous indebtedness, then, he is broad-minded. But, Mr. President, the American people must not only pay 4.7-percent interest on the British debt, but we must also pay the principal. How are the American people to get the money with which to pay that debt? If the Senator feels that Great Britain should be spared and that Great Britain cannot even get $3\frac{1}{2}$ -percent interest with which to pay her debt over a period of 62 years, I am wondering how the American people can stagger along and pay 4.7-percent interest and the principal besides.

Mr. TYDINGS. What I want to bring out—and I ask the attention of the Senator from Indiana—is that the only way I know of that a nation can add to its gold stock is to sell some other nation more goods than it buys, so that the favorable balance in trade, payable in gold, will bring gold to the country, or that the residents of one country will go into the foreign country and expend exchange for pleasure, or that service will be rendered equivalent to goods or money. Great Britain cannot pay us in goods because the tariff will not permit it. As a matter of fact, as I said before, Great Britain has bought over \$6,000,000,000 more of our merchandise since 1921 than we have bought of Great Britain's merchandise. In other words, since then, in unfavorable trade balances, she has paid the present value of the war debt twice.

Mr. ROBINSON of Indiana. Mr. President—

Mr. TYDINGS. Just a moment. If we are not going to let Great Britain pay in goods, and if we are not going to let her pay in services, and she had not the gold, what I am asking the Senator from Indiana is, where is she going to get the gold with which to pay her \$4,000,000,000 war debt?

Mr. ROBINSON of Indiana. I assume it all boils down to this: If I understand the Senator correctly, he favors canceling the British debt?

Mr. TYDINGS. I do not favor canceling the British debt at all.

Mr. ROBINSON of Indiana. But how can it be paid?

Mr. TYDINGS. But what I do favor is, if we are not going to get the money, to say so; and when I know we are not going to get the money, not to stand up here and insist on payment in full that cannot be made. In order that there may be no misunderstanding, I will give my position on the war-debt question. I favor a lump-sum settlement now, in 1933, of as much as we can get, and good-bye to the debt question, because the Senator from Indiana, who constantly tells us to keep out of European entanglements—and I am not out of accord with that sentiment—and daily shows that there might be another war over there, must know that if there should be another war in Europe, we would not get any of the money anyway; it will have gone for good. I should like to take all I can get now, wind up the debt settlement, revive trade, and start the world going again, instead of having all the countries of the world locked up, as they are now, so that a nation such as ours, which since 1893 has sold the world \$35,000,000,000 more of its products than it has bought from the world, may again find adequate foreign markets, and so that our farmers, our workers, and our railroad men may be employed instead of being members of the army of the unemployed.

Mr. ROBINSON of Indiana. The Senator takes the same position, I assume, with reference to the French debt and all the other debtor nations?

Mr. TYDINGS. Absolutely; I would settle every one of the debts now through a lump-sum settlement. I would deal with each nation separately. The rate of settlement for one nation would not necessarily be the rate of settlement for another. All the circumstances in each case should be weighed.

Mr. ROBINSON of Indiana. If they have not the money to pay now—and the Senator says cannot pay—it finally amounts to this, the Senator favors cancellation?

Mr. TYDINGS. It comes down to this, that, according to the Senator's own argument, if there were a new war in Europe; a bird in hand is worth ten hundred in the bush; and if the dangers which the Senator daily pictures as to what is likely to occur in Europe are one one-hundredth of one one-hundredth of one one-hundredth of one-thousandth of 1 percent as real as he seems to think, we will be a whole lot of money in pocket if we do settle the debts now and have them over with.

Mr. ROBINSON of Indiana. Mr. President, may I suggest to the Senator that it did occur in 1917; we did get in the war; and what I am hoping now is that, in spite of blundering diplomacy, we will not get in again.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. Just a minute; I cannot yield now. I remember 1916 very well. I remember when the then President of the United States, Mr. Wilson, was writing notes across the water every time something happened over there; when our rights were invaded, there was another note; and there were a lot of people in this country who said, "Why does he not stop writing notes? If Theodore Roosevelt were in the White House, he would not be writing notes."

Many people said that to me almost every morning; but I noticed when the President quit writing notes, when we really went to war, that many of the gentlemen who made these criticisms were no place to be found in the Army of the United States. They were tired of notes; they wanted action; Mr. Wilson was criticized as being a pacifist. I did not want the war; I was in favor of his notes; I wish he had written them until he ran out of writing paper. I could not see any value in the war, but I saw that we were likely to get into it, in spite of everything. However, we did not go into the war to save France or England or Italy; we went into the war because we considered our honor and our property and the rights of our nationals were being infringed upon; we declared war very formally; and from the minute we went into that war it was our war just as much as it was the war of any other country.

What happened then? It took us a year to get 300,000 men across the water, few of whom saw active service in that time and few of whom were casualties during the first year of the war, and during that time our allies, by the hundreds of thousands in the British, French, Belgian, and Italian Armies, died on the battlefield, holding back our enemy as much as their own.

Then what happened? They said they were running short of supplies and we let them have the money, about \$10,500,000,000. Did they take the money out of the country? Of course they did not take it out of the country. Much of it was put on deposit right here in the United States, where it was used to buy shells and munitions and clothing and food which we furnished over there while they were holding the front and losing their men by the hundreds of thousands while we were training back here in the training camps.

Mr. ROBINSON of Indiana. Mr. President—

Mr. TYDINGS. Just a moment. I have not yet finished painting this picture.

Now we come, after the war is over—our war, not only their war—and ask for payment of 100 cents on the dollar. Let us switch the situation around for a moment and see how we would view the matter from their angle. Let us suppose that nation X, out beyond the Pacific, and our own country are engaged in war, and we have been fighting for 3 years. Let us assume we are getting the worst of it. Great Britain comes into the war after 3 years because of some incident, but she has not an army ready. While our troops are entrenched on the fields of Kansas, dying by hundreds of thousands for a year before the British Army can be transported over here, we borrow from Great Britain, not money—because the money did not go over to England or France or Italy in the World War—but we borrow credit to the extent of \$10,000,000,000 for clothing and shells and munitions with which to fight the British war as well as the American war against nation X.

If that were the case, I wonder if the Senator from Indiana would not be on the floor of the Senate at this hour saying, "Think of it! Our men, our ex-service men, shed their blood upon the fields of Kansas in the war with nation X, held the battle lines with their breasts bared while their women and children were saddened at home, through one long year, while Great Britain, in the same war, was getting ready, and Great Britain loaned us \$10,000,000,000 worth of food and clothing and supplies in the same war, and now, after it is all over, she asks us to forget the loss of our men, and asks only to pay the bond, to pay 100 cents on the dollar."

Mr. President, the Senator from Indiana would say, "Has that nation no heart? Has it no conscience? Has it no humanity? When our boys were holding the front in Kansas in this war with nation X, dying by the hundreds of thousands, they were only getting ready over there in Britain, were contributing food and munitions and clothing, and now, when it is all over, Great Britain asks us to pay in full 100 cents on the dollar."

Mr. ROBINSON of Indiana. Mr. President—

Mr. TYDINGS. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I applaud the Senator's enthusiasm and his eloquence.

Mr. TYDINGS. No; it is only a statement of facts. There is no enthusiasm about it.

Mr. ROBINSON of Indiana. I was just thinking, as the Senator spoke so eloquently, what a pity it is that his speech could not be made in the French Chamber of Deputies or in the English Parliament.

Mr. TYDINGS. O Mr. President, there is nothing holding this world back like criticizing other governments. That is one of the things that is wrong today—the failure of men in the parliaments of the world to blame their own government where blame is often rightfully due, and not always the other fellow's government, because sometimes all governments like all individuals are in the wrong. The man who is serving the world in this hour of depression is ready to call his government when he thinks his government is wrong. I have no use at all for the man who thinks the

other government is always wrong and his own government is always right. Governments are made up of human beings and none of them has a patent on rectitude.

Mr. BONE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Washington.

Mr. BONE. Is not the Senator aware that a great many men were sent to prison during the war for expressions of that kind?

Mr. TYDINGS. What kind?

Mr. BONE. For saying they did not agree with their own government.

Mr. TYDINGS. Yes.

Mr. BONE. Had the Senator expressed that opinion in 1917, he might have been sorry.

Mr. TYDINGS. I did express it in 1917, and I will express it again and again, as long as I live.

Mr. BONE. I am not out of harmony with the Senator.

Mr. TYDINGS. I understand; nor am I out of harmony with the Senator from Washington. I may be wrong about it, and if I am I will be the first to admit it; but so far as I know there has been no man able to say, with only \$11,500,000,000 worth of gold in the world, with our own Government in possession of over one third of it, with \$10,500,000,000 worth of war debts owing and payable in gold, how the \$10,500,000,000 can be paid out of the remaining \$7,000,000,000 worth of gold.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. TYDINGS. I yield.

Mr. McCARRAN. The speech made by the Senator from Maryland brings back to mind the propaganda that prevailed in this country and was broadcast here under British dominance and under British money before the war was declared. It is the same stuff we listened to before we went into the war. It is regrettable now that we must listen to it again when they want to cancel their debts. Apparently, these views come from the administration as the first shot toward a cancellation that will never, in my judgment, be approved by the Senate.

Mr. TYDINGS. Mr. President, I shall have to interrupt the Senator long enough to say that I do not speak for the administration. I have never discussed this matter with any member of the administration. I am speaking here in my own individual right and in no other capacity, directly or indirectly; and, thank God, I am speaking what I honestly believe to be the truth.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield to the Senator from Louisiana.

Mr. LONG. With the powerful minds in the Senate unable to agree on this question, the lesser minds are indeed in serious difficulty at this time.

Mr. TYDINGS. Mr. President, I did not want to enter upon the discussion of an issue which is not before the Senate, and only because it was mentioned by the Senator from Indiana did I attempt to reply at all. I leave this prophecy with the Senate. We may all say we expect to be paid in full. We may never accept the lump-sum settlement. We may insist on payment of these debts to the last dollar. But some day, perhaps within the next several years, we are going to have to face the grim reality of the situation; and I am going to await the suggested solutions when stark facts force a decision upon us.

Mr. TRAMMELL. Mr. President, I do not propose to enter into the controversy in regard to foreign debts. I think there are matters at this time of a good deal more interest to those who were vitally concerned in the war as fighters and defenders of their country than a discussion of the foreign debts owing to the United States.

I am not one who has tried to encourage Great Britain, France, or any of our other foreign debtors in the thought or to argue that we are ready and willing to offer a settlement of compromise or cancellation of their debts. I have entertained the view that the best way for us to collect those debts is to say that we expect them to be paid in full. They owe us the money. The money was raised by

the American people and we expect them to pay the debts. I believe that policy would have a more wholesome effect upon our foreign debtors than a policy of telling them that we know they cannot pay.

When my good friend from Maryland and others advocate this soft road for our foreign debtors, I am reminded of a little incident in my younger days. Probably some other Senators may have had a similar experience. When I was a young fellow, working as a traveling salesman, I went into a little country hotel about noontime one day. When I registered there was no one there except a small boy about 10 or 12 years of age. I said, "Where is your father?" He said, "He is down at the store. We run the store and we run the hotel, too." I said, "What is the price of dinner?" He said, "If you are not a traveling man, it is 75 cents. If you are a traveling man, it is 50 cents." I said, "Of course, under those circumstances, I must be a traveling man."

I imagine that our foreign debtors, when they hear of Americans who are to have something to do with the settlement of the debt question saying that they think the European nations cannot pay, and then proceeding to detail why they cannot, at least get some cheer and some hope from that kind of utterance. I would rather take the attitude that we expect them to pay in full. That is my position in the matter. I think we have made sufficient sacrifice and sufficient reduction to our foreign debtors.

I am not in favor of trying to palliate them or encourage them in the thought that they are going to get cancellation or even reduction.

Why, take the case of France. They plead inability to pay even interest of \$19,000,000, and yet in the press, a couple of weeks ago, France had agreed upon an expenditure of more than \$500,000,000 for military purposes for next year. Why not 19 millions less, if necessary, of their military establishment and the use of this sum to pay an honest debt to America?

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. TRAMMELL. I yield.

Mr. FESS. The argument is constantly being made that the foreign governments cannot pay. I saw a marshaling of figures the other day that gave the amount of money that is paid by our own country or our own citizens to the people of Europe. Take any one of the countries that are debtors of ours, whether it be Great Britain or France or Italy. The amount of money that goes to them from the citizens of this country is something like three or four times the annual debt payment required under the settlement plan.

This money comes to them from such sources as tourists, immigrant remittances, charges on marine carrying, and the triangular transactions where we buy from South America and pay money and then South America sells to Great Britain or to France, so that the trade becomes a triangular affair. From these sources, every dollar of which comes from the United States, these countries could pay four times over the annual charge and never take a single dollar out of their treasury that does not come from the United States itself.

Mr. TRAMMELL. I heartily agree with the Senator; and I think if we had not so many people here in America encouraging the idea that there is going to be a cancellation or modification of debts, there would not now be such persistent effort on the part of these foreigners to get us to forgive the debts entirely, or to make a very substantial reduction in addition to the reduction we made when we made the debt-adjustment settlements, beginning in 1923, when we forgave them about half or more of the debts that they owed us at that time. I will say I voted against these adjustments because I thought our country was making too much of a concession.

My point is I am against the idea of a reduction or cancellation with our foreign debtors. I think they ought to do their honorable duty and pay these debts and keep up the interests, and that they should be making a diligent effort to do that instead of trying in every way possible to avoid

their obligations and to persuade the American officials that they should forgive these debts, and then make the taxpayers of America keep on and keep on paying the money which was raised from the people of America to make these loans to foreign nations.

I did not mean to drift on this foreign-debt subject; but it is my purpose to speak more at length in regard to the pending amendment offered by me.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield for just one observation?

Mr. TRAMMELL. I yield; but I hope the Senator will make it brief. He has spoken a good deal already on this subject. I always listen with interest to him, but I want to discuss the amendment.

Mr. ROBINSON of Indiana. I think the Senator is quite right. I simply want to agree with the Senator in his statement that if the foreign debtors do not pay these debts, the American people will have to do so.

Mr. TRAMMELL. Certainly; that is the inevitable.

Mr. FESS. Mr. President, will the Senator yield to me for just one moment?

Mr. TRAMMELL. Gladly.

Mr. FESS. I do not want to be understood as being opposed to any sort of an adjustment. That is, I want it to be understood that I would be willing to have the matter taken up for discussion if I could be assured that the efforts to discuss this problem are not designed to lead to cancellation. That is what I am afraid of. I should not object to having matters reopened and having the whole subject studied; but my suspicion is that all of this effort is to lead ultimately to cancellation. For that reason I am very much disturbed about all the suggestions of international conferences opening the discussion of a question like this.

Mr. TRAMMELL. Mr. President, I dislike always to propose an amendment to a measure that is not really germane to the contents of the bill which is being considered; but I think the emergency today thoroughly justifies the presentation of the amendment now before the Senate.

I know, from expressions upon the floor of the Senate yesterday and from statements I have heard in private conversation with different Senators, that at least 95 percent of the Members of this body are in favor of remedying the condition which has brought such abuse and such unreasonable and unexpected treatment to the veterans of this country in the name of the so-called "Economy Act."

I have read the Economy Act carefully within the past day or two; and, while it contains provisions under which there may be by a strained construction a semblance merely of authorization for the regulations which have been promulgated, I say that a study of the provisions of title I, which applies to our veterans, shows that it does not indicate or express, directly or indirectly, any such intent as has been put into force under the harsh regulations which have been prescribed in the name of the Economy Act.

We who voted for the Economy Act were assured that it would be justly and liberally applied so far as the veterans of this country were concerned, and with such assurance we did not desire to oppose our Democratic President, who was and is struggling so patriotically for the Nation. My good friend from Arizona, Mr. ASHURST, who, I see, is not in his seat—but that does not make any difference, for I have made about the same remark to him—may take responsibility, if he wishes, for the orders and the regulations which have been issued by the Veterans' Bureau under the provisions of the Economy Act; but, so far as I am concerned, I do not assume responsibility for the unreasonable and the unfair regulations which have been imposed, in many instances, in regard to great groups of our veterans.

If Congress does not think it is proper that this treatment should be accorded to the veterans, I think it should perform its duty and enact legislation to correct this miscarriage of the intention and the purpose of Congress in acting upon the urgent request of the President for the enactment of the Economy Act.

I have every confidence in the President of the United States. I am a great admirer of his. I think he is making

a splendid President. I like his courage and his initiative and his set purpose in his endeavors to restore the Nation to its former prosperity. I know, however, that the President never had an opportunity to go over all these regulations. He may be considering making some modification or changes of them; but when the law was enacted we were told that it was going to be enforced generously and justly toward the veterans of this country. At the present time I do not care to rely upon some grapevine messages that may or may not come to the effect that the regulations are going to be modified and changed so as to give justice and more generous treatment to the veterans.

We have tried this out for more than 2 months in the administering of veterans' affairs; and what a record, what a tragedy, confronts us! I presume the Administrator of Veterans' Affairs and the Director of the Budget prepared these regulations and these orders. We have been sorely disappointed, and thousands upon thousands, and even millions, of veterans in this country have been treated as though they were unworthy of the aid and assistance of the Government, instead of being treated as patriots of the Nation, as they should be.

I was taught at my mother's knee to have regard and esteem for the man who took up arms and went forth in defense of his country in its hour of peril; and that respect and appreciation for those who rally to their country's flag, who prove their courage, their loyalty, and their devotion to their homeland first instilled and inspired within me by my good mother has continued until this day; in fact, has become intensified with the passing of the years and a mature realization of the hideousness of war.

One of the most inspiring scenes I ever witnessed was during the early days of the World War, when a great army of American soldiers, who had come from town and city and countryside, was assembled here in Washington, and there was a parade on Pennsylvania Avenue composed of some fifty thousand of the very flower of the young manhood of this country who were going forth to fight the battles of the Nation. I was thrilled with admiration for them at that time. Every impulse of my patriotism and my love and esteem for the defenders of the country, who were willing to respond and do their duty, was quickened at that time by that wonderful picture of gallantry, of devotion, and patriotism.

I witnessed another quite in contrast with the first when the war was all over. Upon the same historic avenue, in the same city of Washington, I saw the picked division of all the American troops, coming back as victors, march through this city; and as they did I was doubly inspired and thrilled with love and devotion for the men who had rallied to the colors and gone across the seas and fought upon foreign fields, where many of them had sacrificed their lives and others had fallen wounded for the cause of our Republic.

Senators, ever since that time I hope I have never been recreant in my duty to pay honor to these brave men, and to extend to them, as far as possible within my power, a just tribute and a just token of the Nation's esteem and gratitude to the living and to revere in cherished memory the gallant dead. I never could have dreamed that there would throb in the heart of any man such sentiments as to promulgate and begin the enforcement upon these loyal veterans of the Great War of such regulations as have gone forth in the name of the Economy Act. I do not believe the President is responsible for this black page in our history. I think it is purely the responsibility of those who are formulating and administering the veterans' affairs after their own fashion.

I am not going to read cases, but I have a great number of them, telling of injustices; and when I make inquiry of the Veterans' Bureau, while, of course, I get no admissions of any injustice on the part of the Veterans' Bureau, the evidence which comes back to me corroborates, as I see it, the injustice about which the veteran has complained.

I know of cases of injustice to bed-ridden persons, and have the records in my files. One soldier wrote me that he had been gassed upon the battlefield; that he had been

confined to hospitals for 8 or 9 years, and he said no person who had not had a similar experience could imagine the torture he had endured during these 8 or 9 years from the effects of being gassed. He said that he had been unable to sleep lying down during all this period of time, because the greater part of the time he felt that he was about to choke to death; and yet, under these regulations, the Veterans' Bureau notified him—he is still in a hospital—that his compensation was being reduced from \$90 a month to \$20 a month.

Another poor fellow told me that he was totally blind in one eye and could scarcely see at all with the other eye, and the record shows that his case was of service origin. The other case I mentioned was also of service origin, and was so recorded. They gave this almost totally blind veteran notice that his compensation would be reduced from \$100 a month to \$23 a month, I think it was.

Any Senator who wants to take the responsibility for such conduct and treatment of a veteran as that, because he happened to vote for the bill, is welcome to do so; but it is so foreign to the ideas and the views which I entertain that I admit no responsibility whatever, and I do not think any other Senator is responsible for any such action as that.

I think we ought to do something to try to remedy the situation. During the past 16 years as a Member of the Senate I have felt that I owed a great debt of gratitude to these veterans, that the Nation was a thousand times over their debtor. It just happens that I was the one who offered the amendment which brought about the \$60 bonus given to each veteran upon discharge after his returning from the war. I supported the cash compensation idea during the early years after the war, having introduced in the Senate and fought for cash compensation bills, and at the time we enacted the Compensation Certificate Act I thought it was better, and I so voted, to give them cash compensation instead of these certificates. That was what they really preferred.

The compensation certificates were practically forced upon them, as far as the great rank and file were concerned. I think they should now be paid at face value. Of course, some of the officers of some of the veterans' organizations, like the American Legion, of that character, a good many of whom were at the forefront at that time and occupied swivel-chair jobs during the war, did not seem to think that a man ought to have anything, and a goodly number of them today do not think the soldiers are being mistreated when we cut off their compensation, reducing the compensation of bed-ridden, of blind, and those suffering with every character of disease. They do not rebel when the sick and wounded are cast from the hospitals into the streets and thrown upon charity. They do not seem to think there is anything wrong about it. That does not worry them at all. I refer to a certain few among the veterans who live in affluence and in luxury, and most of whom had swivel-chair jobs during the war, and perhaps themselves are drawing big salaries from the Government or from Government subsidies. They do not care much about it. Of course, they have a right to their opinion, but it is contrary to my sense of justice and my view of giving proper recognition to our soldiers.

Mr. President, while I understood—not directly, of course, but from those representing the administration in recommending this law—that it was desired that some revision be made of the rolls, and that there should be an investigation and elimination, more or less, of those who were upon the rolls who were thought not to belong there, I had no intimation and no information from those who proposed the Economy Act that they expected to practically take away the compensation of service-connected cases, and that they intended to absolutely wipe out, as far as possible, the pensions which had been allowed to the Spanish War veterans. Yet that is what has taken place in the name of economy, under the Economy Act, and I charge it is contrary to the spirit of the law and violative of what Congress was led to expect.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield for a question.

Mr. HATFIELD. What percentage of the Spanish-American War veterans will the Senator's amendment affect?

Mr. TRAMMELL. It will affect the disabled, those who had service-connected disabilities. I have not attempted to try to remedy all the ills which exist, and anybody knows that if we attempt to do that in this body in a general revision of the present law we have no chance to get through the legislation. So I put pensioners in with those who draw compensation and pensions for service-connected disabilities. That was my object in restricting it to that class, not that I favor that restriction. It is merely a matter of expediency.

Mr. HATFIELD. The Senator feels that is the best he can get?

Mr. TRAMMELL. That is my firm opinion as far as amending the pending bill. I had hoped that this much could be attained. There is a common sentiment throughout the country on the part of civilians and on the part of veterans and on the part of our people generally, that the service-connected cases should not have been materially disturbed on account of the Economy Act.

Mr. HATFIELD. Mr. President, may I ask the Senator another question?

Mr. TRAMMELL. I yield.

Mr. HATFIELD. Could Spanish-American War veterans whose cases are presumptively service connected, come in under the Senator's amendment?

Mr. TRAMMELL. I think they can come in under it, in view of the fact that the amendment requires that the burden of proof shall be upon the Government if an effort is made to eliminate a veteran from the roll. When a man has once submitted his claim, as have these soldiers who will come under the provisions of my amendment, and the Government has scrutinized it and investigated it, and, I am sorry to say, in probably 90 percent of the instances resolved all doubts against the soldier, when that has once been done and the soldier, regardless of an unsympathetic consideration by the Bureau, has been placed upon the roll as a service-connected case, then I say that it is the height of injustice, it is a procedure which does not exist in any other tribunal in this country, to provide that the man shall subsequently be forced to come in and reestablish his case. That is what is being attempted, that is apparently the policy of today.

Mr. President, if there is litigation in the courts of the country, and there is a verdict, if there is a decision rendered, after the case is adjudicated by the court of last resort, if it is appealed, it is never said, "We are going to call the successful litigant in and make him reestablish his case, although judgment has been rendered in his favor." Such course would meet with the condemnation of the people of any civilized nation. There is no procedure of this character which has ever been applied, as far as I know, other than in the instant cases.

Mr. BONE. Mr. President, does the Senator want a vote on his amendment this evening?

Mr. TRAMMELL. I should like to have a vote, of course, if we can get to one.

Mr. BONE. I should like to speak for a moment on the Senator's amendment when he is through.

Mr. TRAMMELL. Very well. The amendment, briefly stated, applies to all service-connected cases which are upon the rolls and which have been passed upon, either involving compensation or pension, the word "pension" being used with a view to giving the same consideration to the Spanish-American War veterans, who have been most unmercifully treated. The Spanish-American War veterans have been cut all the way from \$40, \$50, and \$60 a month down to \$6 a month, and they would have, in my opinion, been stricken entirely from the rolls if there had not been a provision in the Economy Act providing that the range should be from \$6 to \$275 a month.

Why did the proponents of this legislation insert in the bill the maximum of \$275 a month? Who did they intend should receive \$275 a month? Yet the maximum was fixed at \$275 and the minimum at \$6. The Spanish-American

War veterans, in my opinion, would have been entirely swept from the map and left no compensation whatever if it had not been for the minimum restriction inserted in the law, I think through an amendment offered by the Senator from Washington.

Mr. CUTTING. Mr. President, the Senator just asked who was supposed to get the \$275 a month. Perhaps the Senator will pardon me, if it seems impertinent, if I quote from the testimony of Mr. Douglas before the Committee on Finance. He was asked that particular question, and he replied:

I am not certain that that is too high for the man, say, who has lost 2 arms or 2 legs in the service.

Senator McKELLAR. Or two eyes.

Mr. DOUGLAS. Yes. I am not certain that that is too high for a man who has received a disability of such great magnitude as the loss of 2 arms or 2 legs or 2 eyes.

Frankly, for a man who was overseas and who was in the big show and was under fire and was shot to pieces by a high explosive, and lost 2 arms, or 2 legs, or 2 eyes, my honest opinion is that that is not too high.

And my sympathy goes out to such a man. He certainly gave something for his country.

The Senator will recall that it has been repeatedly stated on this floor that many men who have lost 2 legs, 2 arms, or 2 eyes have been cut down so that today they are getting a pittance.

Mr. TRAMMELL. I thank the Senator. That is very true. I had not read that evidence. It may be recalled that the hearings before the Finance Committee were not printed and delivered to the Senate until the bill had already passed the Senate on March 18 or 19. I mentioned the fact of the \$275 maximum to show that someone who had to do with the preparing of the Economy Act had in contemplation the fact that there were some worthy cases of service origin which should be reasonably compensated.

Mr. CUTTING. If the Senator had asked me who was getting the \$275 a month, I should not have been able to give the Senator an answer.

Mr. TRAMMELL. I thank the Senator for his information. The records show that a great many have been cut from \$100 to \$20, and from \$90 to \$20, and others from \$50 or \$60 down to \$12 or \$13 or \$14. One Spanish-American War veteran who is 67 years old wrote me that they had cut him from \$40 down to \$6. Of course the cases affected would naturally be brought to the attention of Senators, but practically all of the veterans have been detrimentally affected.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. CONNALLY. If I may have the attention of the Senator from New Mexico, on the point to which the Senator called attention with reference to the testimony of Mr. Douglas, and his statement that \$275 a month was not too much for the man with both legs lost in battle, I call the Senator's attention to the fact that there is a man from my State down here in one of the departments, a man by the name of McKenzie, who in battle lost both his legs near the hip, shot off with machine-gun fire, and he was wounded in several other ways. He formerly drew \$175 a month on account of those disabilities, and has now been cut to \$100. That illustrates the way in which a man with both limbs gone, who has to go around with an improvised crutch arrangement, instead of getting \$175, has been cut to \$100.

Mr. CUTTING. He may have Mr. Douglas' sympathy. He did not get very much else out of the situation.

Mr. CONNALLY. His name is McKenzie.

Mr. CUTTING. There is a case almost identical with that in my own State.

Mr. HATFIELD. Mr. President, will the Senator from Florida yield again?

Mr. TRAMMELL. I yield.

Mr. HATFIELD. In keeping with the point which has been raised by the distinguished Senator from New Mexico,

I ask permission of the Senator from Florida to read a letter from a disabled veteran. It is very brief.

Mr. TRAMMELL. I yield.

Mr. HATFIELD. This letter is addressed to me from Martinsburg, W.Va., dated May 26, and reads as follows:

MARTINSBURG, W.VA., May 26, 1933.

Hon. H. D. HATFIELD,

United States Senate Office Building,

Washington, D.C.

DEAR SIR: I am a disabled World War veteran. I had my spine broken down in 1918 in France; have two fractured vertebrae, have never been able to work since discharge; wear a steel cast; spend about half of my time in bed. Last examination at hospital shows a T.B. condition. I was getting \$90 for my wife and myself. Received notice May 22 I would be reduced to \$40 per month on July 1. I am interested in a square deal, but it looks like I have been hit with the "new deal."

I hope I will be given some consideration.

Sincerely,

WILLIAM H. LICKLIDER,

1113 Washington Avenue, Martinsburg, W.Va.

Mr. TRAMMELL. Mr. President, I have a number of cases right along that line which are very pathetic; and it is very distressing to me to think of the treatment accorded to men in such condition, men who have never been guilty of any disloyalty to their country, whose only offense, if it be a crime, which, of course, I do not think it is, has been devotion to their country to the extent of bearing arms in defense of the American flag, and who, on account of the services thus willingly and patriotically performed, have been stricken down in their good health, and are now invalids, some of them blind, some of them with crushed spines, and some of them suffering from other injuries which have destroyed their health and their opportunity to gain a livelihood. I have not introduced into the Record any of their letters, but I have a great many of them of the same character as that read by the Senator from West Virginia.

Mr. HATFIELD. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from West Virginia?

Mr. TRAMMELL. I yield.

Mr. HATFIELD. I hold in my hand an X-ray picture taken of a World War veteran who has lost his right leg and thigh. This X-ray picture discloses the fact that the limb has been disarticulated at the hip joint; his body in many places has been punctured with bits of shrapnel, some of the pieces found in the soft tissue of his back and shoulders and arms, others resting against the spinal column, with other metallic pieces entering the bony structure of the vertebra. In other words, this soldier is a hopeless cripple. I will read his letter with the permission of the distinguished Senator from Florida. It is as follows:

HUNTINGTON, W.VA., May 12, 1933.

Hon. H. D. HATFIELD,

United States Senator, Senate Office Building,

Washington, D.C.

MY DEAR SENATOR: You will please find enclosed a letter from the Veterans' Administration of Charleston, W. Va., dated May 1, 1933, in which they state that my monthly allowance will be in the amount of \$80 per month on account of my war-time, service-connected disabilities. They are still rating me on my 86 percent disability on account of the loss of the use of a right foot.

My dear Senator, I would appreciate it very highly if you will look into this matter and stop this 86 percent disability business that those people in the Charleston office are trying to hang on me. With kindest personal regards I remain,

Yours very truly,

ELZA LEE SNYDER,
Box 212, Huntington, W.Va.

It thus appears that a reduction has been made in the soldier's compensation of 36 percent. This soldier was brought to my office about 3 weeks ago by an attendant in an automobile from Huntington, W.Va. These pictures were taken in Washington, D.C.

Mr. TRAMMELL. What was the reduction in that case?

Mr. HATFIELD. The reduction in his compensation was 36 percent. The veteran was receiving \$125 a month. He is, of course, 100 percent disabled; he must have a paid assistant all the time; he is completely incapacitated. His wounds give him continuous pain. Some of the shrapnel

fragments have lodged inside the vertebral column, pressing upon the spinal cord with a continued pain and suffering upon the part of the soldier; yet he is to be reduced to \$80 a month, an amount which is not sufficient to take care of him in his hopeless and helpless condition. I submit for the RECORD, if the Senator will permit—

Mr. TRAMMELL. I have no objection.

Mr. HATFIELD. The X-ray finding in this case, so that it may be read by those who are interested.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The matter referred to is as follows:

CLINICAL RECORD—RÖNTGENOLOGICAL REPORT

VETERANS' ADMINISTRATION,
Washington, D.C., April 13, 1913.

X-ray fluoroscopic findings: Radiographic examination of the right elbow, left forearm, right shoulder, right hip, and low back, shows small metallic foreign body superficially in the inner side upper third left forearm; old tiny ununited chip fracture of external condyle; no evidence of pathology in shoulder joint; two metallic foreign bodies noted in the chest wall. Pelvis shows disarticulation of the right hip; lumbar spine shows two small metallic foreign bodies just to the left of the twelfth dorsal vertebra. There is fusion of the right sacro-iliac and considerable arthritic change of the right sacro-iliac junction, probably traumatic in origin.

J. F. ELWARD, M.D., Röntgenologist.

No. 30202, Snyder, Elza L. (202-10).

Mr. HATFIELD. This report not only shows that he has had his right leg amputated at the hip, but that his body is practically riddled with shot and shell, nevertheless he has received notice that his compensation has been reduced from \$125 to \$80 a month.

Mr. TRAMMELL. I feel, Mr. President, under the circumstances and conditions which face us, that it is my duty—of course every Senator has to say whether it is his duty or not—to make an earnest effort to correct this situation; to correct it in part if we cannot correct it in toto. This amendment will go a long way toward remedying the conditions so far as the service-connected cases are concerned. It provides that there shall not be more than a 15 percent reduction in cases of that character. Those in charge of the Veterans' Administration have been reducing the compensation in cases of this character all the way from 30 percent to 60 or 70 percent. This amendment proposes to restrict the reduction to not exceeding 15 percent—a reduction I think that is ample if not too much.

The Congress has not seen proper to bring about a reduction exceeding 15 percent in the salaries of the civil employees of the Government. While I believe in economy, I also believe that it should be brought about in fairness and justice. I think that a 15 percent reduction is sufficient in the smaller brackets of the salaries; but I do not agree with the policy that we should reduce the smaller salaries to such an extent that their recipients can scarcely keep body and soul together, and then reduce the larger salaries by only the same percentage. I have on previous occasions discussed that question to some extent.

A majority, at least, of the Senate and the House have not seen proper heretofore to require a person receiving a salary of \$10,000 per annum or \$12,000 per annum or \$15,000 or \$18,000 per annum to take a larger percentage of reduction than the employee who has a salary of only \$1,400 or \$1,500 or \$2,000 per annum. I propose a limitation in this instance of 15 percent.

I think that no greater reduction should be made in the compensation being paid to veterans with service-connected disabilities than is being made in the case of salaries of officials who are so fortunate as to be drawing from the Government salaries of from eight to eighteen thousand dollars a year. If we permit a greater reduction than that, then, in many cases there will be taken from these veterans who in many instances are totally helpless, 25, 30, 40, or even 70 percent of the little compensation which they receive, which a grateful Nation owes them, regardless of what may be the opinion of a few people or of some Members of the Congress. It may be considered by some to be proper to take this larger percentage from the veterans, but when it comes to the question of endeavoring to cut down by, say,

25 percent or 30 percent salaries of ten, twelve, or fifteen thousand dollars, as was proposed in the amendment which I offered here previously on 2 or 3 occasions, it is said, "Oh, that is sacred; it would never do to reduce the salary of a man who is getting \$15,000 a year more than a couple or three thousand dollars a year, anyway; it would never do to leave him a salary that was not at least \$12,000 per annum."

The man who was receiving \$10,000 per annum under an amendment proposed by me when the economy bill was pending would have had a \$10,000 salary reduced approximately 25 percent. That amendment, however, was defeated. It was said it would never in the world do to take \$2,500 a year from the salary of a man who was receiving \$10,000 and leave him only \$7,500 per annum. But as to these soldiers, these patriots who were wounded or contracted disease in fighting for their country, some people would not complain if we should take from them from 30 to 70 percent of their pitifully small compensation which the Government has heretofore been giving them. It is that condition which I seek to have corrected.

There are some who went mad on the question of economy, who were misled and deceived by the Economy League of America, the activities of which were carried on very largely by people who have never known much about the hardships of life; certainly at the time they were trying to bring about this maddening economy spirit in this country most of them were living in luxury, and many of them were receiving even large compensation from the Government. Nevertheless, their representations, carried on through chambers of commerce of the country and otherwise, had a great deal of weight with and deceived and misled a great many people. However, even in that campaign it was never intimated that its proponents wanted to make an attack upon the compensation allowed in service-connected cases.

Of course, I was not in sympathy with the policy advocated by the Economy League—that is, with the details of the program. I am in sympathy with the spirit of economy in this country; we need it; but with all the details of their program of economy I was never in agreement. They stood too much for getting the money barons of the country relieved from taxation and cared nothing for the little fellow.

So far as the Administration of Veterans Affairs and so far as Mr. Douglas are concerned, they seem to have selected a page out of the book of the members of the Economy League in applying reductions to the soldiers of the country. If Senators will read some of the literature of that organization regarding veterans they will see the similarity in the suggestions made by the Economy League and those which are now being applied.

Regardless of this propaganda, regardless of a public sentiment misled by misrepresentation of conditions, the people generally throughout the country, in my opinion, have become awakened to the situation; and, much as many Senators may be disgusted with what has been perpetrated upon our veterans in the name of economy, the public, generally speaking, are feeling the same as I do on this subject. I never meet or talk with anyone, whether he be humble in station or be high in station, whether he be in poverty or live in luxury; I never talk with anyone who dwells in the cottage or lives in the mansion—and I have talked with many in all walks of life on this subject—but that they disapprove of the way that thousands of veterans who served this country are being maltreated. As I hear the cry, it comes from the North and the South, the East and the West, and it is an appeal to Congress to remedy the situation and to correct a wrong and an injury which has been perpetrated upon these veterans of America. I am hopeful that this amendment will accomplish something in that direction. It involves only service-connected cases. It restricts reductions to 15 percent.

Another important feature, as I regard it, is that it protects the soldier who is already on the roll as a service-connected case from a reexamination and a review of his case, in that it provides that if such a thing shall be attempted, the burden of proof will be upon the Government.

As I gather it from letters which have come to my attention, the procedure under some of the regulations at the present time is that the Veterans' Administration is attempting to shift the burden of proof to the veteran to reestablish his case, which it has once recognized and acted upon favorably. What an injustice, what a tragedy it is to call upon these men whom I honor, and to whom I would have the Nation pay fitting tribute, again to reestablish their cases after they have been settled 1 year ago, 2 years ago, or 3 or 4 years ago, or maybe longer.

I could talk more at length, but I am not going to do so. I know how Senators generally feel. They feel that we should do something to correct the situation. My amendment will not correct all of the abuses which exist under the present regulations, but it will bring protection to the service-connected cases of the World War and of the Spanish-American War. It is thirty-odd years since the Spanish-American War. Those men cannot make proof now of service connection. One wrote me the other day that he had had only two comrades who could establish his case, one of whom is dead and the location of the other of whom he did not know, so he could not establish his service connection. That is typical of the situation portrayed in many letters I receive.

I notice that the Veterans' Administration, in quoting the President, said the President knew it would be unfair and unreasonable to require the Spanish-American War veterans to undertake to establish service disability and therefore that the Spanish-American War claims should be presumptively all service connected. I want to commend the President for that position and that generous and righteous attitude. I think that an administrative feature was tacked on by others to the President's very generous and just idea, and this administrative feature is that the bureau send out a blank to a veteran and ask all kinds of questions. Of course, he cannot establish through that blank the proof called for, although the President has said that his case would be presumptively service connected. He cannot now, 35 years after the Spanish-American War, establish service connection. They make the veteran, by such unjust procedure, become his own executioner. That is the trickery that is being practiced upon the Spanish-American War veteran. He becomes his own executioner because when he sends back that questionnaire he is unable to establish service connection. Therefore, when his case is reviewed, upon his own statement the generosity and fairness proposed by the President are brushed aside and disregarded, and his case is marked of nonservice connection because he has not been able to prove it again. It certainly is unreasonable to expect him to get the proof at this late day. As may be recalled, during the Spanish-American War very poor records were kept.

Where these men are already on the roll, they should be protected. Therefore in the amendment which I have offered I have provided that the compensation and pension shall not be reduced in excess of 15 percent. My first thought was 10 percent. That occurred to me as a proper recognition of the sentiment and the impulses that throb within me and impel me to honor, more than the civilian employees of the Government, those who have previously to these desperate, trying days of the Nation served their country in war.

I find some, but, of course, not many, who do not have much appreciation of that fact. They do not care much about a man's service to his country. They take the attitude that these men were paid when they served. But I would remind you they were paid a mere pittance in comparison with the service rendered. Some of these soldiers who have been mistreated under the regulations and by the action of the Veterans' Administration advise me in their communications that all during the war they sent insurance money and allowances to their families until they had nothing whatever left of the salary paid to them when they were upon the battlefield. Now, to meet with this disaster which has befallen them is very discouraging. Some of them write

that it makes them feel that loyalty and patriotism and devotion to country are worth nothing; that they want no reward, but they do want some recognition for the services they rendered their Government.

Mr. President, I have submitted rather scattering remarks on the situation, but I hope I have made myself clear in my effort to bring to the attention of the Senate that under the regulations and the conduct of the Veterans' Administration the veterans—thousands of them, at least—with service-connected disabilities are being mistreated by a Government which should honor them and be just and generous with them.

It is said by some that these things will all be corrected. We have heard something similar before. When this matter was here originally in March we heard that everybody was going to be treated justly and generously. I do not care to delay longer in doing the best I can to correct the situation. I think the hour for action has arrived. I find that administrative officers, those who occupy executive positions and legislative positions, have to assert themselves at times to avoid or to have discontinued some injustice to groups of or all the American people.

When it was my good privilege and honor to be Governor of Florida, the legislature passed a bill providing for a tax commission. I was opposed to the policy, but the legislature passed the bill. There was a great sentiment in favor of it, so I said, "All right, we will have a tax commission for the purpose of equalizing taxes, but which, in my opinion, will be disappointing." I appointed the three commissioners. I said to them, "This law does not provide that you have to boost the tax assessments of Florida in a sum that will impose an unbearable tax burden upon the people of the State in any one year. My only instruction to you is to avoid doing that."

The first year they increased the tax assessment about 10 percent and got away with it. The next year an order was sent by the tax commission to the various tax assessors over the State, stating to each of the counties, respectively, "Your county shall increase its tax-assessment roll 40 percent"; to some other county, "You will increase your tax-assessment roll 50 percent"; another county, 25 percent; and in all it amounted to an average increase of 50 percent in taxation on the people of the State in 1 year. The law may have authorized this, but not the spirit of the law. I called the tax commissioners to my office and said, "I warned you about this. You are going to destroy the people of Florida by any such plan you have ordered as this. I am very sorry you did not talk to me about it first. I am going to wire every tax assessor in Florida to ignore your order and to make only a reasonable increase in the assessable values of the State." I pursued that course. The result was that the people were not burdened nor absolutely crushed under an unreasonable and disorderly effort to bring about tax equalization.

We need definite action now. I hope I may be pardoned for the reference to my own experience, but that is what we need with reference to the Veterans' Administration. If no one else will go after them, then it is the duty of Congress to go after them. I am not willing to wait any longer, Mr. President, so I have proposed this amendment and I hope Senators will support it. I am going to support some of the other good amendments that have been proposed by other Senators. The Senator from New Mexico [Mr. CUTTING] has rather a similar amendment which he has proposed. Of course, I like the 15-percent idea better than 25 percent. I do not want to discriminate against ex-soldiers, because they have already been discriminated against too much. I do not want to make a reduction of more than 15 percent. The amendment of the Senator from New Mexico is a splendid amendment and carries out the same idea and purpose I have, except that it makes no provision with regard to the question that the burden of proof should be on the Government when they go to review a case already upon the rolls and which has previously been determined.

Mr. CUTTING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. TRAMMELL. I yield.

Mr. CUTTING. I just wish to say that I am going to vote for the amendment of the Senator from Florida. I know there is some sentiment in the Chamber in favor of giving the President a little more latitude than the Senator proposes in his amendment. I merely want to serve notice now that if the Senator fails to get the necessary two-thirds vote to suspend the rule for the consideration of his amendment, then I shall call up my motion to have consideration of my amendment making a reduction of not to exceed 25 percent in the service-connected cases.

Mr. President, if the Senator will yield further, I should like to have printed in the RECORD an editorial from the Philadelphia Record entitled "Inhuman and Unsound."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, June 1, 1933]

INHUMAN AND UNSOUND

Revolt raises its head in Congress and in the Nation against the "economy" program of the Roosevelt administration.

The President himself, apparently realizing that conservative advisers have misled him, moves toward modification of the reductions for veterans.

Nothing can do Mr. Roosevelt more harm than to continue the balance-the-Budget program of the Hoover administration.

To attempt a balance at the present time, and at the expense of needy veterans and underpaid civil employees, is inhuman and unsound.

So conservative a commentator as Roger Babson warned the wealthy interests behind the National Economy League several months ago:

"Elimination of unemployment can come only by increasing public purchasing power and raising the standard of living. Only as more goods are bought and consumed can this country return to normal production and employment. All talk to the contrary is not only uneconomic but dangerous.

"Hence I appeal to the National Economy League to drop the word 'economy' and to curb their speakers in their preaching of false economy. In the meantime, until this is done, I advise manufacturers, merchants, and workers to refrain from joining the National Economy League."

The same wealthy banking and industrial interests behind the league do not hesitate to accept huge doles from the Reconstruction Finance Corporation and from the Federal Government while asking cuts at the expense of veterans and workers.

How can business be revived when mass purchasing power is being curtailed?

Can business be expected to raise wages when the Federal Government itself is paying sweatshop rates to many in its own post offices?

How can it take bread and butter from the mouths of veterans and workers while it continues to pay huge subsidies, in one instance as high as \$117,000 a pound, to Morgan air-lines companies for handling the mails?

The President's new deal is being wrecked and undermined by reactionary forces in his own official family.

The National Economy League and its heavily financed publicity men spread the impression that millions were being paid to veterans who neither needed nor deserved the money.

Such cases exist, without a doubt. That they are typical or even common the Record denies. Many badly in need, many with service records overseas, have been cut and cut drastically under the economy program.

In a Senate debate over the economy provisions Senator VANDENBERG, of Michigan, tells of one veteran with gunshot wounds in the back, hernia, arthritis, and chronic nervousness, all service connected, who has been reduced from \$90 to \$8 a month.

Let it be noted, also, that the most the National Economy League dared to ask for openly was reduction in payments to the non-service-connected disabled. Let it be noted that Mr. Hoover merely asked an 8½-percent cut for Federal workers, instead of the 15 percent obtained under President Roosevelt.

The narrow, bookkeeping minds of the Douglasses have taken the Roosevelt administration further than even the worst reactionaries dared to go.

President Roosevelt is making a gigantic effort to wipe out the sweatshop and raise the wages of labor.

So far the Nation's great corporations have followed the example of his Budget-balancing underlings, instead of the President's own recommendations.

Great corporations such as United States Steel and Public Service of New Jersey were quick to imitate the 15-percent pay cut for Federal employees and the fallacious reasoning by which an attempt was made to justify the slash.

Sweatshop employers can still point to a Federal post office which exacts a 15-percent cut—against the intent of Congress—from postal substitutes trying to support families on \$5 and \$7 a week.

How are wages to be raised when 54 percent of the Federal Government's employees make less than \$1,500 a year, far less than the minimum estimated as necessary to raise a family in health and decency?

The Record appeals to President Roosevelt to clean house of reactionary influences, to begin the new deal at Washington, to set an example of fair wages and decent conditions, to revoke the inhuman and uneconomic cuts for veterans.

No substantial business revival is possible until mass purchasing power is increased.

To act for an increase in that mass purchasing power is the President's duty to the masses who turned to him for relief last November.

The human way is still the only way out of this crisis. Aid to the needy is the best kind of aid to business. Only increased mass purchasing power will sustain the rise in prices needed to revive industry.

Mr. BYRNES. Mr. President, I make the point of order against the amendment of the Senator from Florida [Mr. TRAMMELL] that it is legislation upon an appropriation bill.

Mr. TRAMMELL. Mr. President, of course, I think the point of order is in accordance with the rule, but I had hoped that the Senator in charge of the bill would show at least as much generosity toward human beings and the rights of our veterans as he has shown toward some other interests in permitting amendments that were clearly in violation of the rule to be attached to the measure without any objection whatever.

The PRESIDING OFFICER. The Senator from South Carolina makes the point of order against the amendment of the Senator from Florida on the ground that it is legislation upon an appropriation bill. The point of order is sustained.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I thought the pending question was the motion offered by the Senator from Florida to suspend the rule. If that is the motion, no Senator could accept it. It has to be by vote of the Senate.

The PRESIDING OFFICER. On this particular amendment the Chair understands there is no motion to suspend the rule.

Mr. TRAMMELL. I desire to present the notice which I gave 2 or 3 days ago for suspension of the rule. I ask that the motion be considered and that the rule be suspended for the purpose of considering the amendment which I desire to offer.

I suggest the absence of a quorum. A number of Senators told me they wish to be here when this matter is voted upon.

Mr. McNARY. Mr. President, will the Senator withhold that suggestion a moment?

Mr. TRAMMELL. Certainly; I withdraw the suggestion for a moment.

Mr. McNARY. May I ask the Senator in charge of the bill if he desires to go forward further tonight; or can we not at this time recess until 11 o'clock tomorrow, and then take a vote on the Senator's motion?

Mr. BYRNES. I have no objection. The Senator from Oregon has indicated that a number of Senators on the other side of the Chamber desire to offer amendments; and if it is the desire to recess at this time—the Senator from Arkansas is now in the Chamber—I have no objection.

Mr. FESS. Mr. President, I wish to offer an amendment to the pending bill and have it printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. ROBINSON of Arkansas. Mr. President, I am reluctant to discontinue the proceedings this afternoon in view of the fact that no progress has been made on this bill today. It is true that other important matters have been disposed of.

There is on the calendar a joint resolution having relationship to the gold clause in contracts. This joint resolution should be acted upon tomorrow or next day for the convenience of the Treasury Department. It is well understood that there are some important transactions to be had at once by that Department; and I think that if we recess now, there ought to be an understanding that we will

proceed to dispose of this appropriation bill at an early hour tomorrow, so that the Senate may go forward with other legislation.

Of course, no one disputes the importance of the subject matters that are receiving consideration; but it has seemed to me that during the course of this week considerable time has been consumed in the discussion of subjects that are not before the Senate—a very bad practice in most instances.

I should like to ask Senators to cooperate in an early disposition of this bill tomorrow, and in proceeding upon the joint resolution to which I have referred. It is a very late hour in the day to undertake to get action on these amendments. If I can have the assurance that we may hope for reasonably prompt action tomorrow, I shall move a recess now, particularly in view of the acceptance of the suggestion of the Senator from Oregon by the Senator in charge of the bill, with whom I am cooperating.

It is perfectly apparent that if this extra session is to conclude its labors within the limit that has been discussed, we will be under the necessity of holding night sessions, especially if Senators indulge the practice of talking about questions not before the Senate and talking at great length.

With that statement, and expressing the hope that we may make progress tomorrow, and with the understanding that if we find it necessary I shall do what I can to keep the Senate in session until action is taken, I ask the Senator from Oregon if he does not feel that he can cooperate to that end? I am willing to move a recess at this time if such an understanding can be reached.

Mr. McNARY. Mr. President, I am extremely anxious, of course, as we all are on this side, to conclude this session by a week from Saturday. All we want is an opportunity to study and discuss the various measures. I feel sure that cooperation may be had on this side in order to expedite adjournment.

Mr. ROBINSON of Arkansas. What I am particularly asking about now is with respect to the proceedings tomorrow, having stated the necessity for a little prompter action than seems to be assured.

Mr. McNARY. Of course I am not in position to speak concerning the time that will be occupied in the argument of various amendments.

Mr. ROBINSON of Arkansas. I understand that.

Mr. McNARY. I know of no intention upon the part of anyone here to prolong discussion; and as far as I am personally concerned, I shall cooperate to bring about an expeditious consideration of the pending unfinished business.

Mr. ROBINSON of Arkansas. I should like to have an understanding that we will proceed with this bill until it is finally disposed of tomorrow, and also try to make progress on the consideration of the joint resolution. Is that satisfactory?

Mr. McNARY. I could not speak for anyone other than myself with respect to that.

Mr. ROBINSON of Arkansas. I am not asking unanimous consent.

Mr. McNARY. I know; but with regard to the joint resolution, I do not know what the feeling is here, whether it is desired to consider that measure or some other measure; but, whatever legislation is before the Senate, I shall cooperate to bring about an early decision of the matter.

Mr. ROBINSON of Arkansas. Mr. President, I give notice that I shall request and urge the Senate to continue in session tomorrow until this bill is disposed of.

Mr. TRAMMELL. Mr. President, a parliamentary inquiry. I desire to ask if my motion to suspend the rules is now the pending question.

The PRESIDING OFFICER. The Senator's motion is pending.

Mr. TRAMMELL. I thank the Chair.

INVESTIGATION OF PURCHASES OF EQUIPMENT FOR CIVILIAN CONSERVATION CORPS

Mr. CAREY. Mr. President, from the Committee on Military Affairs I report back favorably, with an amendment,

Senate Resolution 88, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read Senate Resolution 88, submitted by Mr. CAREY on May 26, 1933, as follows:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to investigate the negotiations between the Director of Emergency Conservation Work and the BeVier Corporation, a corporation organized under the laws of the State of New York, with respect to a contract proposed to be entered into between the Director and such corporation for the purchase of toilet kits to be furnished as part of the equipment of members of the Civilian Conservation Corps. The committee is also authorized in its discretion to investigate reports of irregularities in connection with any other purchases or proposed purchases of materials or equipment for the use of the Civilian Conservation Corps by any department, agency, or officer of the United States Government.

The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. I understand that the report of the committee is unanimous.

Mr. CAREY. It is.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 1, the committee proposes to strike out lines 10 to 14, both inclusive, in the following words:

The committee is also authorized in its discretion to investigate reports of irregularities in connection with any other purchases or proposed purchases of materials or equipment for the use of the Civilian Conservation Corps by any department, agency, or officer of the United States Government.

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to investigate the negotiations between the Director of Emergency Conservation Work and the BeVier Corporation, a corporation organized under the laws of the State of New York, with respect to a contract proposed to be entered into between the Director and such corporation for the purchase of toilet kits to be furnished as part of the equipment of members of the Civilian Conservation Corps. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, in view of the lateness of the hour and the fact that it probably would take some time to secure a quorum, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 37 minutes p.m.) the Senate took a recess until tomorrow, Friday, June 2, 1933, at 11 o'clock a.m.

NOMINATION

Executive nomination received by the Senate June 1 (legislative day of May 29), 1933

UNITED STATES CIRCUIT JUDGE

Sam Gilbert Bratton, of New Mexico, to be United States circuit judge, tenth circuit, to succeed John H. Cotteral, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 1 (legislative day of May 29), 1933

UNITED STATES CIRCUIT JUDGE

Sam Gilbert Bratton to be United States circuit judge, tenth circuit.

UNITED STATES ATTORNEYS

James R. Fleming to be United States attorney, northern district of Indiana.

Val Nolan to be United States attorney, southern district of Indiana.

COMMISSIONER OF INTERNAL REVENUE

Guy T. Helvering to be Commissioner of Internal Revenue.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 1, 1933

The House met at 12 o'clock noon.

Rev. William Pierpoint, pastor of McKendree Methodist Episcopal Church, Washington, D.C., offered the following prayer:

Almighty God, Thou giver of life and light, grant unto us that light which will make us wise in that wisdom and understanding which expresses itself in righteousness and truth. By the endowment of Thy spirit may we be fitted for the great and grave responsibilities which rest upon us. Help us to remember always that it is man's chief duty to glorify God. We believe we best discharge that duty when we seek to serve well our day and generation. To this end may that which we do be done as unto Thee.

O Lord, be pleased to let Thy gracious presence abide with us. Thou art our God; in Thee do we trust. Our rich heritage is from Thee. Our countless blessings are the evidence of Thy bounteous goodness toward us. Grant unto us, we beseech Thee, a continuance of Thy favor. Lift up the light of Thy countenance upon us and grant us Thy peace, that all our works, begun, continued, and ended in Thee, may be for the conservation of our national welfare, the promotion of universal peace among the nations of the earth, and the establishing of Thy kingdom among our fellow men. Hear us, we pray, for Christ, the Redeemer's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to the amendments of the House to the joint resolution (S.J.Res. 48) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Posheng Yen, a citizen of China.

MODIFICATION OF POSTAGE RATES AND EXTENSION OF GASOLINE TAX

Mr. DOUGHTON submitted the following conference report on the bill (H.R. 5040) to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5040) to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 6. (a) Effective September 1, 1933, section 616 of the Revenue Act of 1932 is amended to read as follows:

"SEC. 616. TAX ON ELECTRICAL ENERGY FOR DOMESTIC OR COMMERCIAL CONSUMPTION

"(a) There is hereby imposed upon electrical energy sold for domestic or commercial consumption and not for resale a tax equivalent to 3 percent of the price for which so sold, to be paid by the vendor under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe. The sale of electrical energy to an

owner or lessee of a building, who purchases such electrical energy for resale to the tenants therein, shall for the purposes of this section be considered as a sale for consumption and not for resale, but the resale to the tenant shall not be considered a sale for consumption.

"(b) The provisions of sections 619, 622, and 625 shall not be applicable with respect to the tax imposed by this section.

"(c) No tax shall be imposed under this section upon electrical energy sold to the United States or to any State or Territory, or political subdivision thereof, or the District of Columbia. The right to exemption under this subsection shall be evidenced in such manner as the Commissioner, with the approval of the Secretary, may by regulation prescribe."

"(b) Despite the provisions of this section the tax imposed under section 616 of the Revenue Act of 1932 before its amendment by this section on electrical energy furnished before September 1, 1933, shall be imposed, collected, and paid in the same manner and shall be subject to the same provisions of law (including penalties) as if this section had not been enacted."

And the Senate agree to the same.

R. L. DOUGHTON,
SAM B. HILL,
ALLEN T. TREADWAY,
ISAAC BACHARACH,

Managers on the part of the House.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
DAVID A. REED,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5040) to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: This amendment strikes out the phrase "for experimental purposes" in the provisions relating to the elimination on July 1, 1933, of the additional rate on first-class matter mailed for local delivery. The House recedes.

On amendment no. 2: This amendment strikes out the provision of the House bill which transfers the electrical-energy tax from the producer to the consumer and substitutes in lieu thereof a provision which exempts from taxation under the manufacturers' excise-tax title of the Revenue Act of 1932 articles sold for use as fuel supplies, ships' stores, sea stores, or legitimate equipment on vessels of war, fishing or whaling vessels, or vessels engaged in foreign trade, trade between the Atlantic or Pacific ports of the United States, or between the United States and its possessions. The amendment also provides that articles manufactured or produced with the use of articles upon which the tax under the manufacturers' excise tax title has been paid upon importation, if laden as supplies on such vessels, shall be held to be exported for the purposes of allowance of drawback on such articles. The House recedes.

On amendment no. 3: This amendment imposes a tax on electrical energy sold on or after September 1, 1933, for domestic or commercial consumption of 2 percent of the price for which sold. This tax is to be paid by the vendor. No tax is to be imposed on the sale of such energy to the United States or to any State, Territory, or political subdivision thereof, or the District of Columbia.

The amendment also imposes a tax (with certain exemptions) of 1 percent of the amount paid for electrical energy for consumption other than domestic or commercial if such energy is furnished on or after September 1, 1933, and before July 1, 1934. This tax is to be paid by the person